

## **H - Health and Family Services Cabinet**

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## **H - Health and Family Services Cabinet**

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## HOUSE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

## H - Health and Family Services Cabinet

## Operating Budget

## Summary Totals

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference
<b>I. APPROPRIATIONS SUMMARY BY FUND SOURCE</b>									
General Fund (Tobacco)	24,957,300	24,957,300		22,183,400	22,183,400		23,393,500	23,393,500	
General Fund	1,645,829,500	1,645,829,500		1,690,857,300	1,705,297,600	14,440,300	1,757,951,400	1,767,108,700	9,157,300
Restricted Funds	839,050,000	839,050,000		829,515,600	829,515,600		840,161,600	840,161,600	
Federal Funds	4,094,269,600	4,094,269,600		4,024,853,000	4,015,240,600	(9,612,400)	4,133,978,600	4,128,216,300	(5,762,300)
<b>Regular Total Funds</b>	<b>6,604,106,400</b>	<b>6,604,106,400</b>		<b>6,567,409,300</b>	<b>6,572,237,200</b>	<b>4,827,900</b>	<b>6,755,485,100</b>	<b>6,758,880,100</b>	<b>3,395,000</b>
Use of Continuing	2,828,000	(436,000)	(3,264,000)		876,700	876,700		2,387,300	2,387,300
<b>TOTAL FUNDS</b>	<b>6,606,934,400</b>	<b>6,603,670,400</b>	<b>(3,264,000)</b>	<b>6,567,409,300</b>	<b>6,573,113,900</b>	<b>5,704,600</b>	<b>6,755,485,100</b>	<b>6,761,267,400</b>	<b>5,782,300</b>

**II. EXPENDITURE CATEGORY**

Personnel Costs	650,262,400	650,262,400		635,081,600	635,081,600		629,327,200	629,327,200	
Operating Expenses	130,449,900	130,449,900		124,752,400	124,852,400	100,000	127,130,200	127,180,200	50,000
Grants, Loans, Benefits	5,826,026,800	5,822,762,800	(3,264,000)	5,807,380,000	5,812,984,600	5,604,600	5,998,200,400	6,003,543,700	5,343,300
Debt Service							632,000	1,021,000	389,000
Capital Outlay	195,300	195,300		195,300	195,300		195,300	195,300	
<b>TOTAL EXPENDITURES</b>	<b>6,606,934,400</b>	<b>6,603,670,400</b>	<b>(3,264,000)</b>	<b>6,567,409,300</b>	<b>6,573,113,900</b>	<b>5,704,600</b>	<b>6,755,485,100</b>	<b>6,761,267,400</b>	<b>5,782,300</b>

**III. BASE LEVEL BUDGET BY FUND SOURCE**

General Fund (Tobacco)	24,957,300	24,957,300		22,183,400	22,183,400		23,393,500	23,393,500	
General Fund	1,560,529,500	1,560,529,500		1,554,697,500	1,536,434,000	(18,263,500)	1,551,498,700	1,517,822,700	(33,676,000)
Restricted Funds	833,478,100	833,478,100		816,980,600	816,580,600	(400,000)	829,639,500	829,239,500	(400,000)
Federal Funds	3,849,955,400	3,849,955,400		3,805,417,700	3,786,162,700	(19,255,000)	3,789,233,100	3,769,905,400	(19,327,700)
<b>Regular Total Funds</b>	<b>6,268,920,300</b>	<b>6,268,920,300</b>		<b>6,199,279,200</b>	<b>6,161,360,700</b>	<b>(37,918,500)</b>	<b>6,193,764,800</b>	<b>6,140,361,100</b>	<b>(53,403,700)</b>
Use of Continuing	2,828,000	(436,000)	(3,264,000)		876,700	876,700		2,387,300	2,387,300
<b>TOTAL BASE LEVEL</b>	<b>6,271,748,300</b>	<b>6,268,484,300</b>	<b>(3,264,000)</b>	<b>6,199,279,200</b>	<b>6,162,237,400</b>	<b>(37,041,800)</b>	<b>6,193,764,800</b>	<b>6,142,748,400</b>	<b>(51,016,400)</b>

**IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE**

General Fund	85,300,000	85,300,000		136,159,800	168,863,600	32,703,800	206,452,700	249,286,000	42,833,300
Restricted Funds	5,571,900	5,571,900		12,535,000	12,935,000	400,000	10,522,100	10,922,100	400,000
Federal Funds	244,314,200	244,314,200		219,435,300	229,077,900	9,642,600	344,745,500	358,310,900	13,565,400
<b>TOTAL ADDITIONAL</b>	<b>335,186,100</b>	<b>335,186,100</b>		<b>368,130,100</b>	<b>410,876,500</b>	<b>42,746,400</b>	<b>561,720,300</b>	<b>618,519,000</b>	<b>56,798,700</b>

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## HOUSE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

## H - Health and Family Services Cabinet

## Capital Budget

## Summary Totals

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference
<b>I. CAPITAL PROJECT RECAP BY FUND SOURCE</b>									
General Fund									
Restricted Funds					400,000	400,000			
Federal Funds				3,534,000	3,134,000	(400,000)			
Bond Funds				5,146,000	20,265,000	15,119,000			
Capital Construction Surplus				700,000	700,000				
Investment Income				1,500,000	1,500,000		1,500,000	1,500,000	
<b>TOTAL CAPITAL</b>				<b>10,880,000</b>	<b>25,999,000</b>	<b>15,119,000</b>	<b>1,500,000</b>	<b>1,500,000</b>	

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## HOUSE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

## H - Health and Family Services Cabinet

## Operating Budget

## General Administration and Program Support

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference
<b>I. APPROPRIATIONS SUMMARY BY FUND SOURCE</b>									
General Fund	35,887,900	35,887,900		33,965,700	34,015,700	50,000	33,770,000	33,600,000	(170,000)
Restricted Funds	11,005,800	11,005,800		11,405,400	11,405,400		11,417,500	11,417,500	
Federal Funds	43,518,500	43,518,500		42,040,700	42,040,700		41,408,400	41,408,400	
<b>Regular Total Funds</b>	<b>90,412,200</b>	<b>90,412,200</b>		<b>87,411,800</b>	<b>87,461,800</b>	<b>50,000</b>	<b>86,595,900</b>	<b>86,425,900</b>	<b>(170,000)</b>
Use of Continuing									
<b>TOTAL FUNDS</b>	<b>90,412,200</b>	<b>90,412,200</b>		<b>87,411,800</b>	<b>87,461,800</b>	<b>50,000</b>	<b>86,595,900</b>	<b>86,425,900</b>	<b>(170,000)</b>
<b>II. EXPENDITURE CATEGORY</b>									
Personnel Costs	57,167,300	57,167,300		56,314,300	56,314,300		55,058,400	55,058,400	
Operating Expenses	33,244,900	33,244,900		31,097,500	31,147,500	50,000	31,097,500	31,147,500	50,000
Debt Service							440,000	220,000	(220,000)
<b>TOTAL EXPENDITURES</b>	<b>90,412,200</b>	<b>90,412,200</b>		<b>87,411,800</b>	<b>87,461,800</b>	<b>50,000</b>	<b>86,595,900</b>	<b>86,425,900</b>	<b>(170,000)</b>
<b>III. BASE LEVEL BUDGET BY FUND SOURCE</b>									
General Fund	35,887,900	35,887,900		33,965,700	33,965,700		33,330,000	33,330,000	
Restricted Funds	10,555,800	10,555,800		11,002,500	11,002,500		11,002,500	11,002,500	
Federal Funds	43,518,500	43,518,500		41,100,700	41,100,700		40,439,800	40,439,800	
<b>Regular Total Funds</b>	<b>89,962,200</b>	<b>89,962,200</b>		<b>86,068,900</b>	<b>86,068,900</b>		<b>84,772,300</b>	<b>84,772,300</b>	
Use of Continuing									
<b>TOTAL BASE LEVEL</b>	<b>89,962,200</b>	<b>89,962,200</b>		<b>86,068,900</b>	<b>86,068,900</b>		<b>84,772,300</b>	<b>84,772,300</b>	
<b>IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE</b>									
General Fund					50,000	50,000	440,000	270,000	(170,000)
Restricted Funds	450,000	450,000		402,900	402,900		415,000	415,000	
Federal Funds				940,000	940,000		968,600	968,600	
<b>TOTAL ADDITIONAL</b>	<b>450,000</b>	<b>450,000</b>		<b>1,342,900</b>	<b>1,392,900</b>	<b>50,000</b>	<b>1,823,600</b>	<b>1,653,600</b>	<b>(170,000)</b>
<b>V. ADDITIONAL BUDGET ITEMS</b>									
<b>1 NEW APS eMARS interface</b>									
ABR7210005 eMARS implementation cost to be incurred prior to the end of FY 2005-2006.									
Restricted Funds	450,000	450,000							
<b>Project Total</b>	<b>450,000</b>	<b>450,000</b>							

## HOUSE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

## H - Health and Family Services Cabinet

## Operating Budget

## General Administration and Program Support

		Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
		Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference
2	GB	OIG - Public Assistance Fraud Investigations								
ABR7210002		Provide funds to support 17 vacant positions.								
Restricted Funds					402,900	402,900		415,000	415,000	
Federal Funds					940,000	940,000		968,600	968,600	
Project Total					1,342,900	1,342,900		1,383,600	1,383,600	
3	GB	APS - Telehealth and e-Health Board								
ABR7210003		Provide General Fund to provide for cabinet support to the KY Telehealth Network and the KY e-Health Network Board.								
General Fund						50,000	50,000		50,000	50,000
Project Total						50,000	50,000		50,000	50,000
4	N/A	APS - Debt Services for TWIST Project								
ABR7210004		Provide funds to support debt service for \$3,134,000 Bond Funds for TWIST Project Phase II. House provides 1/2 year debt service in second year.								
General Fund								440,000	220,000	(220,000)
Project Total								440,000	220,000	(220,000)
TOTAL ADDITIONAL		450,000	450,000		1,342,900	1,392,900	50,000	1,823,600	1,653,600	(170,000)

## TRANSFERS TO THE GENERAL FUND

## General Administration and Program Support

Agency Revenue Fund (KRS 212.025(2))	5,723,000	5,723,000								
Malt Beverage Education Fund	350,000	350,000		350,000	350,000			350,000	350,000	
<b>TOTAL</b>	<b>6,073,000</b>	<b>6,073,000</b>		<b>350,000</b>	<b>350,000</b>			<b>350,000</b>	<b>350,000</b>	

**Fiscal Biennium 2006-2008  
Budget Modification Report**

03/06/06 2:44 AM

**General Administration and Program Support**

**BRANCH BUDGET**

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2006-2008 based upon extending the reduced fiscal year 2005-2006 funding level as revised by the Governor's fiscal year 2005-2006 Budget Stability Initiative. This initiative is projected to contribute \$142,500,000 to the General Fund during fiscal year 2005-2006.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy addresses increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part V, Funds Transfer, includes transfers from General Administration and Program Support, Restricted Funds of \$5,723,000 in fiscal year 2005-2006, and from the Malt Beverage Educational Fund, Restricted Funds of \$350,000 in fiscal year 2005-2006, \$350,000 in fiscal year 2006-2007 and \$350,000 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill, Part I, Operating Budget includes language provisions that direct:

**"Maximizing Federal Funds:** Pursuant to compliance with the State/Executive Branch Budget Bill and the Statutory Budget Memorandum, the Cabinet for Health and Family Services shall maximize Federal Funds for programs within the Cabinet."

**"Human Services Transportation Delivery:** Notwithstanding KRS 281.014, the Kentucky Works Program shall not participate in the Human Services Transportation Delivery Program or the Coordinated Transportation Advisory Committee."

**"Debt Service:** Included in the above General Fund appropriation is \$440,000 in fiscal year 2007-2008 for debt service for new bonds as set forth in Part II, Capital Projects Budget, of this Act."

The State/Executive Branch Budget Bill, Part II, Capital Projects Budget, includes funding in fiscal year 2006-2007 of \$3,134,000 Federal Funds and \$3,134,000 Bond Funds for the Safeguarding Children at Risk (TWIST Re-Write II) project.

**HOUSE REPORT**

The House concurs with the Branch with the following changes:

The House amends the State/Executive Branch Budget Bill, Part I, Operating Budget, to include the following language provisions:

**Fiscal Biennium 2006-2008  
Budget Modification Report**

03/06/06 2:44 AM

**General Administration and Program Support**

**"Federally Funded Positions:** Notwithstanding KRS 18A.010(2) and any provisions of this Act to the contrary, direct service units of the Office of Inspector General, Office of Aging Services, Department for Disability Determination Services, Department for Community Based Services, Department for Medicaid Services, Department for Mental Health/Mental Retardation Services, and the Department for Public Health shall be authorized to establish and fill such positions as are 100 percent federally funded for salary and fringe benefits."

**"Debt Service:** Included in the above General Fund appropriation is \$220,000 in fiscal year 2007-2008 for debt service for new bonds as set forth in Part II, Capital Projects Budget, of this Act."

The House adds \$50,000 General Fund in fiscal year 2006-2007 and \$50,000 General Fund in fiscal year 2007-2008 to support the Telehealth and e-Health Boards operations.

## HOUSE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

## H - Health and Family Services Cabinet

## Capital Budget

## General Administration and Program Support

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference
<b>I. CAPITAL PROJECT RECAP BY FUND SOURCE</b>									
Federal Funds				3,134,000	3,134,000				
Bond Funds				3,134,000	3,134,000				
<b>TOTAL CAPITAL</b>				<b>6,268,000</b>	<b>6,268,000</b>				
<b>II. CAPITAL PROJECTS</b>									
<b>6</b>	<b>Safeguarding Children at Risk (TWIST Rewrite II)</b>								
PRJ7212558									
Federal Funds				3,134,000	3,134,000				
Bond Funds				3,134,000	3,134,000				
<b>Project Total</b>				<b>6,268,000</b>	<b>6,268,000</b>				
<b>TOTAL CAPITAL</b>				<b>6,268,000</b>	<b>6,268,000</b>				

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## HOUSE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

## H - Health and Family Services Cabinet

## Operating Budget

## Children with Special Health Care Needs

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference
<b>I. APPROPRIATIONS SUMMARY BY FUND SOURCE</b>									
General Fund (Tobacco)	302,100	302,100		312,100	312,100		352,000	352,000	
General Fund	5,491,900	5,491,900		5,835,400	5,885,400	50,000	5,917,000	5,967,000	50,000
Restricted Funds	6,669,700	6,669,700		6,696,100	6,696,100		6,773,400	6,773,400	
Federal Funds	4,467,400	4,467,400		4,379,000	4,379,000		4,379,000	4,379,000	
<b>Regular Total Funds</b>	<b>16,931,100</b>	<b>16,931,100</b>		<b>17,222,600</b>	<b>17,272,600</b>	<b>50,000</b>	<b>17,421,400</b>	<b>17,471,400</b>	<b>50,000</b>
Use of Continuing	48,700	48,700							
<b>TOTAL FUNDS</b>	<b>16,979,800</b>	<b>16,979,800</b>		<b>17,222,600</b>	<b>17,272,600</b>	<b>50,000</b>	<b>17,421,400</b>	<b>17,471,400</b>	<b>50,000</b>
<b>II. EXPENDITURE CATEGORY</b>									
Personnel Costs	9,175,300	9,175,300		9,456,800	9,456,800		9,615,700	9,615,700	
Operating Expenses	1,487,900	1,487,900		1,487,900	1,487,900		1,487,900	1,487,900	
Grants, Loans, Benefits	6,316,600	6,316,600		6,277,900	6,327,900	50,000	6,317,800	6,367,800	50,000
<b>TOTAL EXPENDITURES</b>	<b>16,979,800</b>	<b>16,979,800</b>		<b>17,222,600</b>	<b>17,272,600</b>	<b>50,000</b>	<b>17,421,400</b>	<b>17,471,400</b>	<b>50,000</b>
<b>III. BASE LEVEL BUDGET BY FUND SOURCE</b>									
General Fund (Tobacco)	302,100	302,100		312,100	312,100		352,000	352,000	
General Fund	5,491,900	5,491,900		5,835,400	5,835,400		5,917,000	5,917,000	
Restricted Funds	6,669,700	6,669,700		6,696,100	6,696,100		6,773,400	6,773,400	
Federal Funds	4,467,400	4,467,400		4,379,000	4,379,000		4,379,000	4,379,000	
<b>Regular Total Funds</b>	<b>16,931,100</b>	<b>16,931,100</b>		<b>17,222,600</b>	<b>17,222,600</b>		<b>17,421,400</b>	<b>17,421,400</b>	
Use of Continuing	48,700	48,700							
<b>TOTAL BASE LEVEL</b>	<b>16,979,800</b>	<b>16,979,800</b>		<b>17,222,600</b>	<b>17,222,600</b>		<b>17,421,400</b>	<b>17,421,400</b>	
<b>IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE</b>									
General Fund					50,000	50,000		50,000	50,000
<b>TOTAL ADDITIONAL</b>					<b>50,000</b>	<b>50,000</b>		<b>50,000</b>	<b>50,000</b>
<b>V. ADDITIONAL BUDGET ITEMS</b>									
<b>1 NEW</b>	<b>Handicapped Children Association</b>								
ABR7670002	Provide General Fund to support reduced Tobacco funds for Operational cost increases of the Clark County Handicapped Children Association								
General Fund					50,000	50,000		50,000	50,000
<b>Project Total</b>					<b>50,000</b>	<b>50,000</b>		<b>50,000</b>	<b>50,000</b>
<b>TOTAL ADDITIONAL</b>					<b>50,000</b>	<b>50,000</b>		<b>50,000</b>	<b>50,000</b>

## HOUSE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

## H - Health and Family Services Cabinet

## Operating Budget

## Children with Special Health Care Needs

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference
<b>TRANSFERS TO THE GENERAL FUND</b>									
<b>Children with Special Health Care Needs</b>									
Agency Revenue Fund (KRS 212.025(2))	500	500							
<b>TOTAL</b>	<b>500</b>	<b>500</b>							



**Fiscal Biennium 2006-2008  
Budget Modification Report**

03/06/06 2:44 AM

**Commission for Children with Special Health Care Needs**

**BRANCH BUDGET**

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2006-2008 based upon extending the reduced fiscal year 2005-2006 funding level as revised by the Governor's fiscal year 2005-2006 Budget Stability Initiative. This initiative is projected to contribute \$142,500,000 to the General Fund during fiscal year 2005-2006.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy addresses increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part V, Funds Transfer, includes a transfer from the Children with Special Health Care Needs, Restricted Funds of \$500 in fiscal year 2005-2006.

The State/Executive Branch Budget Bill, Part I, Operating Budget includes a language provision that directs:

**"Tobacco Settlement Funds:** Included in the above General Fund (Tobacco) appropriation is \$310,100 in fiscal year 2006-2007 and \$350,000 in fiscal year 2007-2008 for Universal Newborn Hearing Screening and \$2,000 in each fiscal year for Vision Screening."

The State/Executive Branch Budget Bill, Part X, Phase I Tobacco Settlement includes language that directs the following reductions in the fiscal year 2005-06 appropriation to the Commission for Children with Special Health Care Needs: Universal Newborn Hearing Screening - \$104,000, Universal Newborn Vision Screening - \$5,000.

The State/Executive Branch Budget Bill, Part X, Phase I Tobacco Settlement includes a language that directs:

**"Universal Newborn Hearing Screening and Vision Screening:** Included in the above General Fund (Tobacco) appropriation is \$310,100 in fiscal year 2006-2007 and \$350,000 in fiscal year 2007-2008 for Universal Newborn Hearing Screening and \$2,000 in each fiscal year for Vision Screening."

**HOUSE REPORT**

The House concurs with the Branch with the following change:

**Fiscal Biennium 2006-2008  
Budget Modification Report**

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**Commission for Children with Special Health Care Needs**

The House amends the State/Executive Branch Budget Bill, Part I, Operating Budget, to include a grant supported by General Fund of \$50,000 in fiscal years 2006-2007 and 2007-2008 to the Clark County Handicapped Children Association to replace Tobacco funds that have been reduced.

## H - Health and Family Services Cabinet

## Operating Budget

## Medicaid Administration

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference
<b>I. APPROPRIATIONS SUMMARY BY FUND SOURCE</b>									
General Fund	34,403,700	34,403,700		37,882,400	37,882,400		36,441,700	36,441,700	
Restricted Funds	18,306,000	18,306,000		14,075,000	14,075,000		13,080,000	13,080,000	
Federal Funds	78,246,600	78,246,600		56,945,500	56,945,500		46,579,400	46,579,400	
<b>Regular Total Funds</b>	<b>130,956,300</b>	<b>130,956,300</b>		<b>108,902,900</b>	<b>108,902,900</b>		<b>96,101,100</b>	<b>96,101,100</b>	
Use of Continuing									
<b>TOTAL FUNDS</b>	<b>130,956,300</b>	<b>130,956,300</b>		<b>108,902,900</b>	<b>108,902,900</b>		<b>96,101,100</b>	<b>96,101,100</b>	
<b>II. EXPENDITURE CATEGORY</b>									
Personnel Costs	103,185,700	103,185,700		77,438,500	77,438,500		64,340,000	64,340,000	
Operating Expenses	2,358,900	2,358,900		1,280,600	1,280,600		1,274,500	1,274,500	
Grants, Loans, Benefits	25,411,700	25,411,700		30,183,800	30,183,800		30,486,600	30,486,600	
<b>TOTAL EXPENDITURES</b>	<b>130,956,300</b>	<b>130,956,300</b>		<b>108,902,900</b>	<b>108,902,900</b>		<b>96,101,100</b>	<b>96,101,100</b>	
<b>III. BASE LEVEL BUDGET BY FUND SOURCE</b>									
General Fund	17,204,800	17,204,800		17,204,800	17,204,800		17,204,800	17,204,800	
Restricted Funds	18,306,000	18,306,000		14,075,000	14,075,000		13,080,000	13,080,000	
Federal Funds	53,975,600	53,975,600		32,081,800	32,081,800		31,107,600	31,107,600	
<b>Regular Total Funds</b>	<b>89,486,400</b>	<b>89,486,400</b>		<b>63,361,600</b>	<b>63,361,600</b>		<b>61,392,400</b>	<b>61,392,400</b>	
Use of Continuing									
<b>TOTAL BASE LEVEL</b>	<b>89,486,400</b>	<b>89,486,400</b>		<b>63,361,600</b>	<b>63,361,600</b>		<b>61,392,400</b>	<b>61,392,400</b>	
<b>IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE</b>									
General Fund	17,198,900	17,198,900		20,677,600	20,677,600		19,236,900	19,236,900	
Federal Funds	24,271,000	24,271,000		24,863,700	24,863,700		15,471,800	15,471,800	
<b>TOTAL ADDITIONAL</b>	<b>41,469,900</b>	<b>41,469,900</b>		<b>45,541,300</b>	<b>45,541,300</b>		<b>34,708,700</b>	<b>34,708,700</b>	
<b>V. ADDITIONAL BUDGET ITEMS</b>									
<b>2 EXPAN Medicaid Administration Contracts</b>									
ABR7460003	Provide funds for the Ky Medicaid Administrative Agent, Pharmacy Benefits Administrator and Medicaid Management Information System contracts.								
General Fund	17,198,900	17,198,900		20,677,600	20,677,600		19,236,900	19,236,900	
Federal Funds	24,271,000	24,271,000		24,863,700	24,863,700		15,471,800	15,471,800	
<b>Project Total</b>	<b>41,469,900</b>	<b>41,469,900</b>		<b>45,541,300</b>	<b>45,541,300</b>		<b>34,708,700</b>	<b>34,708,700</b>	
<b>TOTAL ADDITIONAL</b>	<b>41,469,900</b>	<b>41,469,900</b>		<b>45,541,300</b>	<b>45,541,300</b>		<b>34,708,700</b>	<b>34,708,700</b>	

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**Medicaid Administration**

**BRANCH BUDGET**

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2006-2008 based upon extending the reduced fiscal year 2005-2006 funding level as revised by the Governor's fiscal year 2005-2006 Budget Stability Initiative. This initiative is projected to contribute \$142,500,000 to the General Fund during fiscal year 2005-2006.

The State/Executive Branch Budget Bill, Part I, Operating Budget includes additional funding support totaling \$17,198,900 in General Fund and \$24,271,000 in Federal Funds in fiscal year 2005-2006; \$20,677,600 in General Fund and \$24,863,700 in Federal Funds in fiscal year 2006-2007; and, \$19,236,900 in General Fund and \$15,471,800 in Federal Funds in fiscal year 2007-2008 to continue Medicaid Modernization and fund contracts for the Kentucky Medicaid Administrative Agent (KMAA), Pharmacy Benefits Administrator (PBA) and the Medicaid Management Information System (MMIS).

The State/Executive Branch Budget Bill, Part I, Operating Budget includes funding totaling \$32,309,100 in fiscal year 2006-2007 and \$32,714,500 in fiscal year 2007-2008 to support the Medicaid Eligibility Determination contract with Community Based Services.

The State/Executive Branch Budget Bill, Part I, Operating Budget includes the following language provisions that direct:

**"Transfer of Excess Administrative Funds for Medicaid Benefits:** If any portion of the above General Fund appropriation in either fiscal year is deemed to be in excess of the necessary expenses for administration of the Department, the amount may be used for Medicaid Benefits, in accordance with statutes governing the functions and activities of the Department for Medicaid Services. In no instance shall these excess funds be used without prior written approval of the State Budget Director to:

- (a) Establish a new program;
- (b) Expand the services of an existing program; or
- (c) Increase rates or payment levels in an existing program.

Any transfer authorized under this section shall be approved by the Secretary of the Finance and Administration Cabinet upon recommendation of the State Budget Director."

**"Medicaid Service Category Expenditure Information:** No Medicaid managed care contract shall be valid, and no payment to a Medicaid managed care vendor by the Finance and Administration Cabinet or the Cabinet for Health and Family Services shall be made, unless the Medicaid managed care contract contains a provision that the contractor shall collect Medicaid expenditure data by

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**Medicaid Administration**

the categories of services paid for by the Medicaid Program. Actual statewide Medicaid expenditure data by all categories of Medicaid services, including mandated and optional Medicaid services, special expenditures/offsets, and Disproportionate Share Hospital payments by type of hospital, shall be compiled by the Department for Medicaid Services for all Medicaid providers and forwarded to the Interim Joint Committee on Appropriations and Revenue on a quarterly basis. Projections of Medicaid expenditures by categories of Medicaid services shall be provided to the Interim Joint Committee on Appropriations and Revenue upon request."

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy addresses increments, retirement, health insurance, and personnel complement.

**HOUSE REPORT**

The House concurs with the Branch with the following change:

The House adds the following Part I, Operating Budget, language provision:

**"Medicaid Eligibility Determination Contract Funding:** Included in the above General Fund and Restricted Funds appropriations are the total state matching funds required to fully fund the Medicaid Eligibility Determination contract in each year of the fiscal biennium between the Department for Medicaid Services and Department for Community Based Services."

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## HOUSE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

## H - Health and Family Services Cabinet

## Operating Budget

## Medicaid Benefits

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference
<b>I. APPROPRIATIONS SUMMARY BY FUND SOURCE</b>									
General Fund	993,496,600	993,496,600		1,014,677,900	1,000,867,600	(13,810,300)	1,055,658,600	1,040,337,700	(15,320,900)
Restricted Funds	404,836,900	404,836,900		383,400,500	383,400,500		388,805,100	388,805,100	
Federal Funds	3,170,763,000	3,170,763,000		3,113,782,300	3,099,312,600	(14,469,700)	3,225,068,600	3,210,544,200	(14,524,400)
<b>Regular Total Funds</b>	<b>4,569,096,500</b>	<b>4,569,096,500</b>		<b>4,511,860,700</b>	<b>4,483,580,700</b>	<b>(28,280,000)</b>	<b>4,669,532,300</b>	<b>4,639,687,000</b>	<b>(29,845,300)</b>
Use of Continuing		(3,264,000)	(3,264,000)		876,700	876,700		2,387,300	2,387,300
<b>TOTAL FUNDS</b>	<b>4,569,096,500</b>	<b>4,565,832,500</b>	<b>(3,264,000)</b>	<b>4,511,860,700</b>	<b>4,484,457,400</b>	<b>(27,403,300)</b>	<b>4,669,532,300</b>	<b>4,642,074,300</b>	<b>(27,458,000)</b>
<b>II. EXPENDITURE CATEGORY</b>									
Grants, Loans, Benefits	4,569,096,500	4,565,832,500	(3,264,000)	4,511,860,700	4,484,457,400	(27,403,300)	4,669,532,300	4,642,074,300	(27,458,000)
<b>TOTAL EXPENDITURES</b>	<b>4,569,096,500</b>	<b>4,565,832,500</b>	<b>(3,264,000)</b>	<b>4,511,860,700</b>	<b>4,484,457,400</b>	<b>(27,403,300)</b>	<b>4,669,532,300</b>	<b>4,642,074,300</b>	<b>(27,458,000)</b>
<b>III. BASE LEVEL BUDGET BY FUND SOURCE</b>									
General Fund	925,395,500	925,395,500		923,539,200	908,028,900	(15,510,300)	919,001,700	901,980,800	(17,020,900)
Restricted Funds	399,815,000	399,815,000		383,400,500	383,000,500	(400,000)	388,805,100	388,405,100	(400,000)
Federal Funds	2,955,620,100	2,955,620,100		2,951,288,900	2,932,033,900	(19,255,000)	2,940,701,400	2,921,373,700	(19,327,700)
<b>Regular Total Funds</b>	<b>4,280,830,600</b>	<b>4,280,830,600</b>		<b>4,258,228,600</b>	<b>4,223,063,300</b>	<b>(35,165,300)</b>	<b>4,248,508,200</b>	<b>4,211,759,600</b>	<b>(36,748,600)</b>
Use of Continuing		(3,264,000)	(3,264,000)		876,700	876,700		2,387,300	2,387,300
<b>TOTAL BASE LEVEL</b>	<b>4,280,830,600</b>	<b>4,277,566,600</b>	<b>(3,264,000)</b>	<b>4,258,228,600</b>	<b>4,223,940,000</b>	<b>(34,288,600)</b>	<b>4,248,508,200</b>	<b>4,214,146,900</b>	<b>(34,361,300)</b>
<b>IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE</b>									
General Fund	68,101,100	68,101,100		91,138,700	92,838,700	1,700,000	136,656,900	138,356,900	1,700,000
Restricted Funds	5,021,900	5,021,900			400,000	400,000		400,000	400,000
Federal Funds	215,142,900	215,142,900		162,493,400	167,278,700	4,785,300	284,367,200	289,170,500	4,803,300
<b>TOTAL ADDITIONAL</b>	<b>288,265,900</b>	<b>288,265,900</b>		<b>253,632,100</b>	<b>260,517,400</b>	<b>6,885,300</b>	<b>421,024,100</b>	<b>427,927,400</b>	<b>6,903,300</b>
<b>V. ADDITIONAL BUDGET ITEMS</b>									
<b>1 GB Medicaid Benefits</b>									
ABR7480001	Provide funds to support inflation, increased utilization, case mix changes and provider cost increases.								
General Fund	68,101,100	68,101,100		89,282,400	89,282,400		130,263,100	130,263,100	
Restricted Funds	5,021,900	5,021,900							
Federal Funds	215,142,900	215,142,900		158,162,200	158,162,200		269,448,500	269,448,500	
<b>Project Total</b>	<b>288,265,900</b>	<b>288,265,900</b>		<b>247,444,600</b>	<b>247,444,600</b>		<b>399,711,600</b>	<b>399,711,600</b>	

## HOUSE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

## H - Health and Family Services Cabinet

## Operating Budget

## Medicaid Benefits

Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference
<b>2 EXPAN Supports for Community Living</b>								
ABR7480002	Provide funds to support 100 additional slots in FY 2006-07 and an additional 100 slots in FY 2007-08.							
General Fund			1,856,300	1,856,300		6,393,800	6,393,800	
Federal Funds			4,331,200	4,331,200		14,918,700	14,918,700	
<b>Project Total</b>			<b>6,187,500</b>	<b>6,187,500</b>		<b>21,312,500</b>	<b>21,312,500</b>	
<b>3 EXPAN Adult Day Care</b>								
ABR7480010	Provide funds to expand Adult Day Care services.							
General Fund				700,000	700,000		700,000	700,000
Federal Funds				1,595,100	1,595,100		1,601,100	1,601,100
<b>Project Total</b>				<b>2,295,100</b>	<b>2,295,100</b>		<b>2,301,100</b>	<b>2,301,100</b>
<b>4 EXPAN School-based Health Services</b>								
ABR7480011	Provide funds to expand school-based health services.							
Restricted Funds				250,000	250,000		250,000	250,000
Federal Funds				569,700	569,700		571,800	571,800
<b>Project Total</b>				<b>819,700</b>	<b>819,700</b>		<b>821,800</b>	<b>821,800</b>
<b>5 EXPAN Model II Waiver</b>								
ABR7480012	Provide funds to expand Model II Waiver services for ventilator-dependent eligibles.							
General Fund				1,000,000	1,000,000		1,000,000	1,000,000
Federal Funds				2,278,700	2,278,700		2,287,300	2,287,300
<b>Project Total</b>				<b>3,278,700</b>	<b>3,278,700</b>		<b>3,287,300</b>	<b>3,287,300</b>
<b>6 EXPAN Breast and Cervical Cancer Treatment Program</b>								
ABR7480013	Provide funds to expand the Breast and Cervical Cancer Treatment Program							
Restricted Funds				150,000	150,000		150,000	150,000
Federal Funds				341,800	341,800		343,100	343,100
<b>Project Total</b>				<b>491,800</b>	<b>491,800</b>		<b>493,100</b>	<b>493,100</b>
<b>TOTAL ADDITIONAL</b>	<b>288,265,900</b>	<b>288,265,900</b>	<b>253,632,100</b>	<b>260,517,400</b>	<b>6,885,300</b>	<b>421,024,100</b>	<b>427,927,400</b>	<b>6,903,300</b>



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**Medicaid Benefits**

**BRANCH BUDGET**

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2006-2008 based upon extending the reduced fiscal year 2005-2006 funding level as revised by the Governor's fiscal year 2005-2006 Budget Stability Initiative. This initiative is projected to contribute \$142,500,000 to the General Fund during fiscal year 2005-2006.

The State/Executive Branch Budget Bill, Part I, Operating Budget includes additional funding support totaling \$68,101,100 in General Fund, \$5,021,900 in Restricted Funds and \$215,142,900 in Federal Funds in fiscal year 2005-2006; \$89,282,400 in General Fund and \$158,162,200 in Federal Funds in fiscal year 2006-2007; and, \$130,263,100 in General Fund and \$269,448,500 in Federal Funds in fiscal year 2007-2008 to continue current services and support increases in eligibles, utilization and medical inflation.

The State/Executive Branch Budget Bill, Part I, Operating Budget recommends \$104,768,200 in fiscal year 2006-2007 and \$108,234,100 in fiscal year 2007-2008 for the Kentucky Children's' Health Insurance Program (KCHIP) including \$20,000,000 in General Fund support, \$2,365,400 in Restricted Funds and \$82,402,800 in Federal Funds in fiscal year 2006-2007, and \$20,219,000 in General Fund support, \$2,824,000 in Restricted Funds and \$85,191,100 in Federal Funds in fiscal year 2007-2008. These funds are estimated to support 50,000 children in each fiscal year of the biennium.

A consensus group, consisting of the Cabinet for Health and Family Services, Governor's Office for Policy and Management and Governor's Office for Economic Analysis forecasted the Medicaid Benefits budgets based on an actuarial analysis of the cost per eligible by type of eligible performed by Pricewaterhouse Coopers, LLP.

The State/Executive Branch Budget Bill, Part I, Operating Budget includes the following language provisions that direct:

**"Supports for Community Living Slots:** Included in the above appropriation is \$1,856,300 in General Fund moneys and \$4,331,200 in Federal Funds in fiscal year 2006-2007 to support 100 additional Supports for Community Living slots and \$6,393,800 in General Fund moneys and \$14,918,700 in Federal Funds in fiscal year 2007-2008 to support 100 additional Supports for Community Living slots for a total of 200 additional slots.

Supports for Community Living Waiver funds shall be for direct services to qualified Supports for Community Living Waiver recipients, and any unexpended funds shall not lapse but shall be carried forward to the next fiscal year for the same purpose."

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**"Carry Forward of General Fund Appropriation Balance:** Notwithstanding KRS 45.229, any General Fund appropriation unexpended in fiscal year 2006-2007 shall not lapse, but shall be carried forward into the next fiscal year."

**"Disproportionate Share Hospital Program:** Hospitals shall report indigent inpatient and outpatient care for which, under federal law, the hospital is eligible to receive disproportionate share payments. Disproportionate Share Hospital payments shall not exceed the maximum amounts established in the federal law."

**"Hospital Indigent Patient Billing:** Hospitals shall not bill patients for services where the services have been reported to the Cabinet and the hospital has received disproportionate share payments for the specific services."

**"Provider Tax Information:** Any provider who posts a sign or includes information on customer receipts or any material distributed for public consumption indicating that it has paid provider tax shall also post, in the same size typeset as the provider tax information, the amount of payment received from the Department for Medicaid Services during the same period the provider tax was paid. Providers who fail to meet this requirement shall be excluded from the Disproportionate Share Hospital and Medicaid Programs. The Cabinet for Health and Family Services shall include this provision in facilities' annual licensure inspection."

**"Quality and Charity Care Trust Fund:** No hospital shall be reimbursed from both the Quality and Charity Care Trust Fund and the Disproportionate Share Hospital Program for the same service to the same patient. Any hospital that willfully violates this provision shall be subject to a penalty equal to three times the amount of the improper charge to the funds, which shall be credited to the General Fund. The Secretary of the Cabinet for Health and Family Services shall have the authority to secure the patient information as needed from the participating facilities in order to determine compliance and enforce this provision. Each facility billing and receiving reimbursements from the Quality and Charity Care Trust Fund shall be required to identify each patient by Social Security number and indicate whether the patient is classified as indigent or medically needy. Notwithstanding any other provision of this Act or law, in any fiscal year for which all the parties to the Quality and Charity Care Trust Agreement so agree, the General Fund appropriation to fulfill the Commonwealth's contractual obligation relating to the Quality and Charity Care Trust Agreement or any portion thereof, together with any other funds paid to the Quality and Charity Care Trust contractual obligation of the parties, or any portion thereof, shall be transferred to the Department for Medicaid Services as part of its Restricted Funds appropriation for Medicaid Benefits. In any fiscal year for which all the parties to the Quality and Charity Care Trust Agreement do not agree to transfer all or any portion of the Trust's revenues to the Department for Medicaid Services for Medicaid Benefits, the Quality and Charity Care Trust shall operate pursuant to its contractual provisions."

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**"Kentucky Children's Health Insurance Program (KCHIP):** The Secretary of the Cabinet for Health and Family Services may transfer funds from Medicaid Benefits to the KCHIP General Fund or Restricted Funds appropriations to be used to match the Federal Funds allocation. These transfers may be made to cover both additional regular allocations and redistribution from the federal government. The Secretary shall recommend any proposed transfer to the State Budget Director for review and concurrence prior to transfer. Upon concurrence of the State Budget Director and prior to the transfer, the Secretary shall make the appropriate interim appropriation increase requests pursuant to KRS 48.630."

**"Intergovernmental Transfers (IGT's):** Any funds received through an IGT agreement between the Department for Medicaid Services and other governmental entities, in accordance with a federally approved State Plan amendment, shall be used to provide for the health and welfare of the citizens of the Commonwealth through the provision of Medicaid Benefits. Revenues from IGT's are contingent upon agreement by the parties and, when negotiated, the Secretary of the Cabinet for Health and Family Services shall make the appropriate interim appropriations increase requests pursuant to KRS 48.630."

**"Medicaid Budget Analysis Reports:** The Department for Medicaid Services shall submit a quarterly budget analysis report to the Interim Joint Committee on Appropriations and Revenue. The report shall provide monthly detail of actual expenditures, eligibles, and average monthly cost per eligible by eligibility category along with current trailing 12-month averages for each of these figures. The report shall also provide actual figures for all categories of noneligible-specific expenditures such as Supplemental Medical Insurance premiums, Kentucky Patient Access to Care, nonemergency transportation, drug rebates, cost settlements, and Disproportionate Share Hospital payments by type of hospital. The report shall compare the actual expenditure experience with those underlying the enacted or revised enacted budget and explain any significant variances which may occur."

**"Medicaid Benefits Budget Deficit:** In the event Medicaid Benefits expenditures are projected to exceed available funds, the Secretary of the Cabinet for Health and Family Services shall be empowered to recommend that reimbursement rates, optional services, eligibles, or programs be reduced or maintained at levels existing at the time of the projected deficit in order to avoid a budget deficit. The projected deficit shall be confirmed by the Office of State Budget Director. No service, eligible, or program reductions shall be implemented by the Cabinet for Health and Family Services without written notice of such action to the Interim Joint Committee on Appropriations and Revenue and the State Budget Director. Such actions taken by the Cabinet for Health and Family Services shall be reported, upon request, at the next meeting of the Interim Joint Committee on Appropriations and Revenue."

**"Medicaid Benefits Budget Surplus:** In the event Medicaid Benefits expenditures are less than available funds, the Secretary of the Cabinet for Health and Family Services may recommend the utilization of available funds to increase reimbursement rates, support

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program administration, or expand the Medicaid Program or the number of eligibles. No reimbursement rate, service, eligible, or program shall be increased without written approval of the State Budget Director and a report to the Interim Joint Committee on Appropriations and Revenue."

**"Transfer of Medicaid Benefits Funds for Medicaid Modernization:** Any portion of the General Fund appropriation in either fiscal year that is deemed to be necessary for the administration of the Medicaid Modernization initiative may be transferred from Medicaid Benefits in accordance with statutes governing the functions and activities of the Department for Medicaid Services. The Secretary shall recommend any proposed transfer to the State Budget Director for approval prior to transfer. Such action shall be reported by the Cabinet for Health and Family Services to the Interim Joint Committee on Appropriations and Revenue.

**"Critical Access Hospitals:** Notwithstanding 2004 Ky. Acts ch. 56, sec. 2, through June 30, 2008, no acute care hospital shall convert to a critical access hospital unless the hospital has either received funding for a feasibility study from the Kentucky State Office of Rural Health or filed a written request by January 1, 2006, with the Kentucky State Office of Rural Health requesting funding for conducting a feasibility study."

**"Medicaid Copayments:** Notwithstanding KRS 205.6312, the Department for Medicaid Services may impose copayments for services rendered to Medicaid recipients not to exceed the amounts permitted by federal authority."

The following assumptions are reflected in Medicaid Benefits projections:

Blended federal match rates for Medicaid Benefits are projected to be: 69.50% in fiscal year 2006-2007 and 69.58% in fiscal year 2007-2008. Blended federal match rates for KCHIP are projected to be: 78.65% in fiscal year 2006-2007 and 78.71% in fiscal year 2007-2008.

Medicaid eligibles (Per Month): - 717,500 in fiscal year 2006-2007 and 731,200 in fiscal year 2007-2008. Included in these projections are 50,000 KCHIP eligibles in each fiscal year.

Provider Taxes are projected to total \$299.4 million in fiscal year 2005-2006, \$304.1 million in fiscal year 2006-2007 and \$309.3 million in fiscal year 2007-2008.

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Receipts/State Match from Intergovernmental Transfers (IGTs) are projected to decrease to \$24.3 million in fiscal year 2005-2006, \$8.5 million in fiscal year 2006-2007 and \$8.5 million in fiscal year 2007-2008.

Disproportionate Share Hospital (DSH) payments are capped according to the 1997 Federal Balanced Budget Act, as amended by the Benefits Improvement and Protection Act of 2000 and Medicare Modernization Act of 2003. Kentucky's federal DSH ceilings are \$197,196,700 in fiscal year 2005-2006, and \$196,289,700 in fiscal years 2006-2007 and 2007-2008. Included in Kentucky's caps are state mental hospital DSH caps which are projected to equal \$34,727,000 in fiscal year 2006-2007 and \$34,567,300 in fiscal year 2007-2008. State Teaching Hospital Enhanced DSH payments for the University of Kentucky and University of Louisville Hospitals totaled \$72.6 million in fiscal year 2004-2005, and are projected to remain at approximately this level in each year of the fiscal biennium.

The State/Executive Branch Budget Bill, Part I, Operating Budget, reflects the Region 3 (Louisville) Medicaid Partnership continuing to operate, and that the other areas of the state will be transitioned to the KyHealth Choices Section 1115 Waiver which will establish different benefit packages for different Medicaid populations in different areas of the state with increased cost sharing and service limitations. Medicaid pharmacy projections include deductions for dual eligibles' pharmacy being covered by Medicare Part D which began January 1, 2006.

**HOUSE REPORT**

The House concurs with the Branch with the following changes:

The House redirects General Fund support to reflect reduced Medicare Part D State Contribution and increased Hospital Provider Tax by \$13,810,200 in fiscal year 2006-2007 and \$15,320,900 in fiscal year 2007-2008 and redirects these funds to Medicaid expansions as reflected in Part V of this report and other agencies within the Cabinet for additional funding items.

The House reduces the Medicare Part D State Contribution by \$3,264,000 in General Fund support in fiscal year 2005-2006 to carry forward and support Medicaid Benefits by \$876,700 in fiscal year 2006-2007 and \$2,387,300 in fiscal year 2007-2008.

The House amends the State/Executive Branch Budget Bill Part I, Operating Budget, language provisions relating to Supports for Community Living Slots and the Disproportionate Share Hospital Program as follows:

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**Medicaid Benefits**

**"Supports for Community Living Slots:** Included in the above appropriation is \$1,856,300 in General Fund moneys and \$4,331,200 in Federal Funds in fiscal year 2006-2007 to support 100 additional Supports for Community Living slots and \$6,393,800 in General Fund moneys and \$14,918,700 in Federal Funds in fiscal year 2007-2008 to support 100 additional Supports for Community Living slots for a total of 200 additional slots.

Supports for Community Living Waiver funds shall be utilized only for direct services to qualified Supports for Community Living Waiver recipients, and any unexpended funds shall not lapse but shall be carried forward to the next fiscal year for the same purpose."

**"Disproportionate Share Hospital Program:** Hospitals shall report indigent inpatient and outpatient care for which, under federal law, the hospital is eligible to receive disproportionate share payments. Disproportionate Share Hospital payments shall equal the maximum amounts established by federal law."

The House adds the following Part I, Operating Budget, language provisions:

**"Medicaid State Match for Preventive Services By Local and District Health Departments:** Included in the above appropriation in each year of the fiscal biennium are the total state matching funds required to fully support preventive health services provided to Medicaid recipients through local and district health departments. Such services shall continue, at a minimum, at the current level of effort."

**"Quarterly Cost Containment Reporting:** The Cabinet for Health and Family Services shall submit a quarterly report to the Interim Joint Committee on Appropriations and Revenue on cost-containment initiatives implemented to reduce costs in the Medicaid Program, including the actual experience compared to projected savings for each initiative. In addition, this report shall include any anticipated initiatives to be implemented to reduce Medicaid costs, including a projection for savings from each initiative and implementation date. If applicable, the report shall also include a list of anticipated Medicaid Program expansions, including projected costs and implementation dates."

**"Adult Day Care Service Expansion:** Included in the above appropriation is \$700,000 in Restricted Funds and \$1,595,100 in Federal Funds in fiscal year 2006-2007 and \$700,000 in Restricted Funds and \$1,601,100 in Federal Funds in fiscal year 2007-2008 to expand Adult Day Care services."

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**Medicaid Benefits**

**"School-based Health Service Expansion:** Included in the above appropriation is \$250,000 in Restricted Funds and \$569,700 in Federal Funds in fiscal year 2006-2007 and \$250,000 in Restricted Funds and \$571,800 in Federal Funds in fiscal year 2007-2008 to expand school-based health services."

**"Ambulance Fee Increase:** The Department for Medicaid Services shall continue ambulance reimbursement during each fiscal year at the rate level established by the 2005 General Assembly for fiscal year 2005-2006."

**Model II Waiver Expansion:** Included in the above appropriation is \$1,000,000 in General Fund support and \$2,278,700 in Federal Funds in fiscal year 2006-2007 and \$1,000,000 in General Fund support and \$2,287,300 in Federal Funds in fiscal year 2007-2008 to expand Model II waiver services to approximately 40 additional ventilator-dependent patients.

**"Breast and Cervical Cancer Treatment Expansion:** Included in the above appropriation is \$150,000 in Restricted Funds and \$341,800 in Federal Funds in fiscal year 2006-2007 and \$150,000 in Restricted Funds and \$343,100 in Federal Funds in fiscal year 2007-2008 to expand the Breast and Cervical Cancer Treatment Services Program."

**"General Fund Carry Forward:** Notwithstanding KRS 45.229, included in the above General Fund appropriation is \$3,264,000 in fiscal year 2005-2006 which shall be carried forward and utilized to support Medicaid Benefits expenditures in fiscal year 2006-2007 and \$2,387,300 in fiscal year 2006-2007 which shall be carried forward and utilized to support Medicaid Benefits expenditures in fiscal year 2007-2008."

**"Hospital Provider Tax and Enhanced Payments:** Notwithstanding KRS 142.303 or the 2004-2006 State/Executive Branch Budget (2005 Ky. Acts ch. 173) establishing a lower amount of tax, hospital provider tax collections in fiscal year 2005-2006 shall not be less than \$180,000,000. Notwithstanding KRS 205.640 and any other provision of the Kentucky Revised Statutes to the contrary, the Department for Medicaid Services shall use these funds to maintain and continue the hospital inpatient payment enhancements to Kentucky hospitals adopted in fiscal year 2005-2006 and the additional funding allocated by the Department to enhance reimbursement to hospitals paid under managed care arrangements. If the aggregate tax collected from all hospitals in fiscal year 2005-2006 pursuant to KRS 142.303 is less than \$180,000,000, each hospital shall pay an additional provider tax in an amount equal to its pro rata share of the difference, based on its taxes paid in relation to total hospital taxes paid in the prior fiscal year. If the hospital provider tax paid in fiscal year 2005-2006 pursuant to KRS 142.303 is greater than \$180,000,000, the amount in excess of \$180,000,000 shall be deposited into the "Hospital Payment Improvement Trust Fund," which is hereby created in the State Treasury as a trust and agency account, and shall be matched with Federal Funds for the sole use of increasing reimbursement to Kentucky

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**Medicaid Benefits**

hospitals, including those paid under managed care arrangements. To the extent that funds remain in the trust fund established by 2005 Ky. Acts ch. 173, Part I, H.3.b.(7), those funds shall be transferred to the fund created in this subsection, and shall be used for the purposes stated above. Any outstanding payments due pursuant to the provisions of 2005 Ky. Acts ch. 173, Part I, H.3.b.(7) shall be retroactive to the beginning of fiscal year 2005-2006 and shall be paid no later than July 30, 2006.

Notwithstanding KRS 142.303, hospital provider tax collections for fiscal year 2006-2007 and fiscal year 2007-2008 shall be not less than \$180,000,000, but shall not exceed the amount of the aggregate provider taxes paid by hospitals in fiscal year 2005-2006. Notwithstanding KRS 205.640 and any other provision of the Kentucky Revised Statutes to the contrary, the Department for Medicaid Services shall use these funds to maintain and continue the hospital inpatient payment enhancements to Kentucky hospitals adopted in fiscal year 2005-2006 and the additional funding allocated by the Department to enhance reimbursement to hospitals paid under managed care arrangements. Notwithstanding KRS 142.301 to 142.363, taxes due in fiscal year 2006-2007 and in fiscal year 2007-2008 shall be paid in 12 equal monthly installments, except as otherwise provided below, with each payment due no later than 20 days after the last day of each calendar month. At least 30 days prior to the beginning of the fiscal year, the Department of Revenue shall send written notice to each hospital of the hospital's estimated total tax liability for the year, which shall be the amount the hospital paid in taxes in fiscal year 2005-2006. The estimate for fiscal year 2006-2007 shall be based on actual payments for the first ten months of fiscal year 2005-2006, and an estimated amount for the last two months of fiscal year 2005-2006. Any adjustment in the total payment amount due to differences between the estimated and actual payments for the last two months of fiscal year 2005-2006 shall be made in the final payment due for fiscal year 2006-2007. In the case of a new hospital that did not operate in state fiscal year 2005-2006, the hospital shall be taxed pursuant to KRS 142.303. Any hospital provider tax collections in excess of \$180,000,000 in fiscal year 2006-2007 or in fiscal year 2007-2008 shall be deposited into the "Hospital Payment Improvement Trust Fund," which is hereby created in the State Treasury as a trust and agency account, and shall be matched with Federal Funds for the sole use of increasing reimbursement to Kentucky hospitals, including those paid under managed care arrangements. Any payments due pursuant to this section shall be made by July 30 of each fiscal year."



## HOUSE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

## H - Health and Family Services Cabinet

## Operating Budget

## Mental Health/Mental Retardation Services

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference
<b>I. APPROPRIATIONS SUMMARY BY FUND SOURCE</b>									
General Fund (Tobacco)	900,000	900,000		800,000	800,000		800,000	800,000	
General Fund	168,769,100	168,769,100		182,957,800	186,505,200	3,547,400	191,361,100	194,867,600	3,506,500
Restricted Funds	202,713,500	202,713,500		207,572,000	207,572,000		210,790,500	210,790,500	
Federal Funds	42,802,500	42,802,500		44,300,200	44,300,200		43,682,000	43,682,000	
<b>Regular Total Funds</b>	<b>415,185,100</b>	<b>415,185,100</b>		<b>435,630,000</b>	<b>439,177,400</b>	<b>3,547,400</b>	<b>446,633,600</b>	<b>450,140,100</b>	<b>3,506,500</b>
Use of Continuing									
<b>TOTAL FUNDS</b>	<b>415,185,100</b>	<b>415,185,100</b>		<b>435,630,000</b>	<b>439,177,400</b>	<b>3,547,400</b>	<b>446,633,600</b>	<b>450,140,100</b>	<b>3,506,500</b>
<b>II. EXPENDITURE CATEGORY</b>									
Personnel Costs	156,719,600	156,719,600		162,804,400	162,804,400		166,850,200	166,850,200	
Operating Expenses	26,719,400	26,719,400		26,769,900	26,769,900		29,112,000	29,112,000	
Grants, Loans, Benefits	231,550,800	231,550,800		245,860,400	249,407,800	3,547,400	250,284,100	253,881,600	3,597,500
Debt Service							192,000	101,000	(91,000)
Capital Outlay	195,300	195,300		195,300	195,300		195,300	195,300	
<b>TOTAL EXPENDITURES</b>	<b>415,185,100</b>	<b>415,185,100</b>		<b>435,630,000</b>	<b>439,177,400</b>	<b>3,547,400</b>	<b>446,633,600</b>	<b>450,140,100</b>	<b>3,506,500</b>
<b>III. BASE LEVEL BUDGET BY FUND SOURCE</b>									
General Fund (Tobacco)	900,000	900,000		800,000	800,000		800,000	800,000	
General Fund	168,769,100	168,769,100		168,769,100	167,269,100	(1,500,000)	168,769,100	167,269,100	(1,500,000)
Restricted Funds	202,713,500	202,713,500		207,422,000	207,422,000		210,490,500	210,490,500	
Federal Funds	42,802,500	42,802,500		38,301,100	38,301,100		35,042,900	35,042,900	
<b>Regular Total Funds</b>	<b>415,185,100</b>	<b>415,185,100</b>		<b>415,292,200</b>	<b>413,792,200</b>	<b>(1,500,000)</b>	<b>415,102,500</b>	<b>413,602,500</b>	<b>(1,500,000)</b>
Use of Continuing									
<b>TOTAL BASE LEVEL</b>	<b>415,185,100</b>	<b>415,185,100</b>		<b>415,292,200</b>	<b>413,792,200</b>	<b>(1,500,000)</b>	<b>415,102,500</b>	<b>413,602,500</b>	<b>(1,500,000)</b>
<b>IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE</b>									
General Fund				14,188,700	19,236,100	5,047,400	22,592,000	27,598,500	5,006,500
Restricted Funds				150,000	150,000		300,000	300,000	
Federal Funds				5,999,100	5,999,100		8,639,100	8,639,100	
<b>TOTAL ADDITIONAL</b>				<b>20,337,800</b>	<b>25,385,200</b>	<b>5,047,400</b>	<b>31,531,100</b>	<b>36,537,600</b>	<b>5,006,500</b>
<b>V. ADDITIONAL BUDGET ITEMS</b>									
<b>2 GB</b>	<b>All Divisions - Inflation and Acute Care Admissions</b>								
ABR7290001	Provide funds to support personnel, operating, and grant expenses related to community and residential programs, including 25 vacant personnel positions.								
General Fund				12,048,700	12,048,700		18,500,000	18,500,000	
<b>Project Total</b>				<b>12,048,700</b>	<b>12,048,700</b>		<b>18,500,000</b>	<b>18,500,000</b>	

**H - Health and Family Services Cabinet****Operating Budget****Mental Health/Mental Retardation Services**

Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference
<b>5 EXPAN Supports for Community Living - Administrative Support</b>								
ABR7290011	Provide funds to oversee an additional 100 slots in FY 2006-07 and an additional 100 slots in FY 2007-08.							
Restricted Funds			150,000	150,000		300,000	300,000	
Federal Funds			150,000	150,000		300,000	300,000	
<b>Project Total</b>			<b>300,000</b>	<b>300,000</b>		<b>600,000</b>	<b>600,000</b>	
<b>6 EXPAN Community Mental Health &amp; Substance Abuse Services - KEYS Grant</b>								
ABR7290004	Provide funds to establish a childrens mental health initiative in 8 counties in Northern Kentucky.							
Federal Funds			1,289,100	1,289,100		739,100	739,100	
<b>Project Total</b>			<b>1,289,100</b>	<b>1,289,100</b>		<b>739,100</b>	<b>739,100</b>	
<b>8 EXPAN Community Mental Retardation - Crisis Stabilization</b>								
ABR7290010	Provide funds to support an additional 835 persons in FY 2006-07 and 913 persons in FY 2007-08.							
General Fund			1,140,000	1,140,000		1,900,000	1,900,000	
Federal Funds			4,560,000	4,560,000		7,600,000	7,600,000	
<b>Project Total</b>			<b>5,700,000</b>	<b>5,700,000</b>		<b>9,500,000</b>	<b>9,500,000</b>	
<b>9 EXPAN Community Mental Retardation - Supported Living</b>								
ABR7290009	Provide funds to support an additional 321 persons in FY 2006-07 and 642 persons in FY 2007-08.							
General Fund			1,000,000	1,000,000		2,000,000	2,000,000	
<b>Project Total</b>			<b>1,000,000</b>	<b>1,000,000</b>		<b>2,000,000</b>	<b>2,000,000</b>	
<b>10 N/A Debt Service</b>								
ABR7290006	Provide funds to support debt service for \$2,012,000 in new bonds for Oakwood HVAC & Chiller Replacement; HOUSE: Provide funds to support debt service for \$2,131,000 in new bonds for Oakwood HVAC & Chiller Replacement.							
General Fund						192,000	101,000	(91,000)
<b>Project Total</b>						<b>192,000</b>	<b>101,000</b>	<b>(91,000)</b>
<b>11 CONT Day Springs Group Home</b>								
ABR7290023	Provide funds to support operating costs.							
General Fund				170,000	170,000		170,000	170,000
<b>Project Total</b>				<b>170,000</b>	<b>170,000</b>		<b>170,000</b>	<b>170,000</b>
<b>12 CONT ARC of Kentucky</b>								
ABR7290024	Provide funds to support operating costs.							
General Fund				175,000	175,000		175,000	175,000
<b>Project Total</b>				<b>175,000</b>	<b>175,000</b>		<b>175,000</b>	<b>175,000</b>

## HOUSE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

**H - Health and Family Services Cabinet****Operating Budget****Mental Health/Mental Retardation Services**

Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference
<b>13 EXPAN Acquired Brain Injury Program</b>								
ABR7290025	Provide funds to expand existing services.							
General Fund				1,000,000	1,000,000		1,000,000	1,000,000
<b>Project Total</b>				<b>1,000,000</b>	<b>1,000,000</b>		<b>1,000,000</b>	<b>1,000,000</b>
<b>14 NEW Crisis Stabilization Mental Health Services</b>								
ABR7290026	Provide funds to support crisis stabilization mental health services through regional MH/MR boards, including \$127,400 in FY 2006-07 and \$177,500 in FY 2007-08 for mental inquest warrant patients at Hardin Memorial Hospital.							
General Fund				3,027,400	3,027,400		3,077,500	3,077,500
<b>Project Total</b>				<b>3,027,400</b>	<b>3,027,400</b>		<b>3,077,500</b>	<b>3,077,500</b>
<b>15 NEW Wellsprings David Block Crisis Stabilization Unit</b>								
ABR7290027	Provide funds to support the Wellsprings David Block Crisis Stabilization Unit in Louisville, Ky.							
General Fund				250,000	250,000		250,000	250,000
<b>Project Total</b>				<b>250,000</b>	<b>250,000</b>		<b>250,000</b>	<b>250,000</b>
<b>16 CONT The Healing Place</b>								
ABR7290028	Provide funds to support operating costs.							
General Fund				150,000	150,000		150,000	150,000
<b>Project Total</b>				<b>150,000</b>	<b>150,000</b>		<b>150,000</b>	<b>150,000</b>
<b>17 CONT The ARC of Barren County</b>								
ABR7290029	Provide funds to purchase and operate a van.							
General Fund				25,000	25,000		25,000	25,000
<b>Project Total</b>				<b>25,000</b>	<b>25,000</b>		<b>25,000</b>	<b>25,000</b>
<b>18 NEW Aging Caregivers One-Stop Shop</b>								
ABR7290030	Provide funds to establish an aging caregivers one-stop shop for referrals to long-term supports for MR/DD individuals.							
General Fund				200,000	200,000		200,000	200,000
<b>Project Total</b>				<b>200,000</b>	<b>200,000</b>		<b>200,000</b>	<b>200,000</b>
<b>19 CONT Boys and Girls Club of Kentucky</b>								
ABR7290031	Provide funds to support operating costs.							
General Fund				50,000	50,000		50,000	50,000
<b>Project Total</b>				<b>50,000</b>	<b>50,000</b>		<b>50,000</b>	<b>50,000</b>

## HOUSE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

**H - Health and Family Services Cabinet****Operating Budget****Mental Health/Mental Retardation Services**

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference
<b>TOTAL ADDITIONAL</b>				<b>20,337,800</b>	<b>25,385,200</b>	<b>5,047,400</b>	<b>31,531,100</b>	<b>36,537,600</b>	<b>5,006,500</b>

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**Mental Health/Mental Retardation**

**BRANCH BUDGET**

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2006-2008 based upon extending the reduced fiscal year 2005-2006 funding level as revised by the Governor's fiscal year 2005-2006 Budget Stability Initiative. This initiative is projected to contribute \$142,500,000 to the General Fund during fiscal year 2005-2006.

The State/Executive Branch Budget Bill, Part I, Operating Budget includes additional funding support as follows:

1) General Fund support totaling \$12,048,700 in fiscal year 2006-2007 and \$18,500,000 in fiscal year 2007-2008 to support increased census and inflationary growth for state-owned mental hospitals and Intermediate Care Centers for the Mentally Retarded/Developmentally Disabled (ICF MR/DDs); 2) \$150,000 in General Fund support and \$150,000 in Federal Funds in fiscal year 2006-2007 and \$300,000 in General Fund support and \$300,000 in Federal Funds in fiscal year 2007-2008 to provide funds to oversee an additional 100 Supports for Community Living (SCL) slots in fiscal year 2006-2007 and an additional 100 SCL slots in fiscal year 2007-2008 (200 additional slots over the fiscal biennium); 3) \$1,289,000 in Federal Funds in fiscal year 2006-2007 and \$739,100 in Federal Funds in fiscal year 2007-2008 to establish a children's mental health initiative through a KEYS grant in 8 counties in Northern Kentucky; 4) \$1,140,000 in General Fund support and \$4,560,000 in Federal Funds in fiscal year 2006-2007 and \$1,900,000 in General Fund support and \$7,600,000 in Federal Funds in fiscal year 2007-2008 to expand Crisis Stabilization Unit services; 5) General Fund support totaling \$1 million in fiscal year 2006-2007 and \$2 million in fiscal year 2007-2008 to expand Supported Living services; and, 6) \$192,000 in General Fund support in fiscal year 2007-2008 for debt service for bonds issued to replace a chiller and HVAC at Oakwood ICF MR/DD.

The State/Executive Branch Budget Bill, Part I, Operating Budget includes the following language provisions that direct:

**"Disproportionate Share Hospital Funds:** Mental health disproportionate share funds are budgeted at the maximum amounts permitted by the Federal Balanced Budget Act of 1997, as amended by the Federal Benefits Improvements and Protection Act of 2000 and the Medicare Modernization Act of 2003, in the amount of \$34,567,300 in each fiscal year."

**"Kentucky Commission on Services and Supports for Individuals with Mental Illness, Alcohol and Other Drug Abuse Disorders, and Dual Diagnoses:** The Department for Mental Health and Mental Retardation Services shall provide at least \$12,500 each fiscal year to be distributed to support the continued operation of the 14 regional planning councils and Commission activities relating to the mandates of KRS 210.500, 210.502, 210.504, 210.506, and 210.509, through June 30, 2008. The regional planning councils shall make recommendations for, and the Commission shall develop, a two-year work plan for specifying goals and strategies

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relating to services and supports for individuals with mental illness, alcohol and other drug disorders, and dual diagnoses, and efforts to reduce the stigma associated with mental illness and other substance abuse disorders. The Commission shall report workgroup activities and findings to the Governor and the Interim Joint Committee on Health and Welfare by December 1 of each year."

**"Debt Service:** Included in the above General Fund appropriation in fiscal year 2007-2008 is \$192,000 for debt service to support new bonds as set forth in Part II, Capital Projects Budget, of this Act."

**"Tobacco Settlement Funds:** Included in the above General Fund (Tobacco) appropriation is \$800,000 in each fiscal year for substance abuse prevention and treatment for pregnant women with a history of substance abuse problems."

**"Replacement of Eastern State Hospital:** The Secretary of the Cabinet for Health and Family Services is authorized to procure, through competitive process, outside services to replace Eastern State Hospital. Eastern State Hospital is currently, and shall continue to be, operated by a nonstate agency provider until the facility is replaced. The Cabinet shall have the contractual option, subject to the appropriate oversight, to renew/extend said contract for periods of time as necessary to ensure budget neutrality. The Cabinet's intent is that the cost of any contractual arrangement shall be no more than the current cost of managing and maintaining Eastern State Hospital."

The State/Executive Branch Budget Bill in Part II, Capital Projects Budget, includes funding for the following projects:

- 1) Bond Funds totaling \$2,012,000 in fiscal year 2006-2007 to replace chillers, heating and cooling lines at Oakwood ICF MR/DD;
- 2) Investment Income totaling \$1.5 million in each year of fiscal years 2006-2007 and 2007-2008 for a Maintenance Pool; 3) \$700,000 in Capital Construction Surplus in fiscal year 2006-2007 for a Roof Pool; and, 4) \$400,000 in Federal Funds in fiscal year 2006-2007 for a Chiller Pool.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy addresses increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part X, Phase I Tobacco Settlement includes a language provision that directs:

**"Substance Abuse Prevention and Treatment:** Included in the above General Fund (Tobacco) appropriation is \$800,000 in each fiscal year for substance abuse prevention and treatment."

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**Mental Health/Mental Retardation**

**HOUSE REPORT**

The House concurs with the Branch Budget with the following changes:

The House redirects base General Fund support of \$1,500,000 in each fiscal year and provides additional funding support for the following items:

1. \$170,000 in each fiscal year for Day Springs Group Home;
2. \$175,000 in each fiscal year for the ARC of Kentucky;
3. \$50,000 in each fiscal year for the Boys and Girls Club of Kentucky;
4. \$1,000,000 in each fiscal year to expand the Acquired Brain Injury program;
5. \$3,027,400 in fiscal year 2006-2007 and \$3,077,500 in fiscal year 2007-2008 for Crisis Stabilization Mental Health services, including \$127,400 in fiscal year 2006-2007 and \$177,500 in fiscal year 2007-2008 for mental inquest warrant patients served by Hardin Memorial Hospital;
6. \$250,000 in each fiscal year for the Wellsprings David Block Crisis Stabilization unit;
7. \$150,000 in each fiscal year for The Healing Place;
8. \$25,000 in each fiscal year for The ARC of Barren County; and,
9. \$200,000 in each fiscal year for the Aging Caregivers One-Stop Shop.

The House amends the State/Executive Branch Budget Bill Part I, Operating Budget, language provisions relating to debt services and the replacement of Eastern State Hospital as follows:

**"Debt Service:** Included in the above General Fund appropriation in fiscal year 2007-2008 is \$101,000 for debt service to support new bonds as set forth in Part II, Capital Projects Budget, of this Act."

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**Mental Health/Mental Retardation**

**"Replacement of Eastern State Hospital:** The Secretary of the Cabinet for Health and Family Services may procure, through the process established by KRS Chapter 45A, a nonstate agency to construct and lease to the Commonwealth a replacement facility for Eastern State Hospital. The Cabinet for Health and Family Services shall solicit Requests for Proposals for such a replacement by no later than January 1, 2007. Eastern State Hospital is currently, and shall continue to be, operated by a nonstate agency provider. The Cabinet shall have the contractual option, subject to the appropriate oversight, to renew or extend the contract for periods of time as necessary to ensure budget neutrality. The Cabinet's intent is that the cost of any contractual arrangement shall be no more than the current cost of managing and maintaining Eastern State Hospital."

The House adds the following Part I, Operating Budget, language provisions:

**"Prior Notice Process for Changes to the Operations of Central State Hospital Intermediate Care Facility for the Mentally Retarded/Developmentally Disabled (ICF MR/DD):** Notwithstanding KRS 210.045(1)(g), 210.045(1)(h), and 210.045(2), the 60 day notice requirement contained in KRS 210.045 is suspended until July 1, 2008, for changes to Central State Hospital ICF MR/DD as referenced in subsection (7) of this section. However, the remaining provisions of KRS 210.045 shall continue to be in effect."

**"Hazelwood Intermediate Care Facility for the Mentally Retarded/Developmentally Disabled (ICF MR/DD):** The Cabinet for Health and Family Services may procure, through the process established by KRS Chapter 45A, a contractual arrangement for a nonstate agency to construct residential units to accommodate the transfer of licensed ICF MR/DD beds at Central State Hospital to the Hazelwood campus. The Cabinet may use these units to house residents currently located at Central State ICF MR/DD. Requests for Proposals shall be issued no later than January 1, 2007, for the construction of the residential units to accommodate the transfer of licensed ICF MR/DD beds at Central State to the Hazelwood campus, and the construction of an outpatient psychiatric physical health clinic and an outpatient psychiatric dental clinic on the campus of Hazelwood ICF MR/DD."

**"Crisis Stabilization Mental Health Services through Regional Mental Health/Mental Retardation (MH/MR) Boards:** Included in the above General Fund appropriation is \$3,027,400 in fiscal year 2006-2007 and \$3,077,500 in fiscal year 2007-2008 to support crisis stabilization mental health services provided through regional MH/MR boards, including \$127,400 in fiscal year 2006-2007 and \$177,500 in fiscal year 2007-2008 for mental inquest warrant patients served by Hardin Memorial Hospital."



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**Mental Health/Mental Retardation**

**"Wellsprings David Block Crisis Stabilization Unit:** Included in the above General Fund appropriation is \$250,000 in each fiscal year to establish the Wellsprings David Block Crisis Stabilization Unit in Louisville, Kentucky to provide mental health crisis stabilization services."

**"Acquired Brain Injury Program Expansion:** Included in the above General Fund appropriation is \$1,000,000 in each fiscal year to expand the Acquired Brain Injury Program by approximately 625 slots."

**"Aging Caregivers One-Stop Shop:** Included in the above General Fund appropriation is \$200,000 in each fiscal year to establish an Aging Caregivers One-Stop Shop to provide aging caregivers with information, consultation, and assistance with choices and planning for long-term supports for individuals with mental retardation and developmental disability."

The House amends the Part II, Capital Budget, provisions relating to Oakwood - Replace Chillers & Cooling Lines and the Chiller Pool as follows:

"Oakwood - Replace Chillers, Heating & Cooling Lines		
Bond Funds	2,131,000	-0-
"Chiller Pool		
Restricted Funds	400,000	-0-

The House adds the following Part II, Capital Budget items:

"Hazelwood Intermediate Care Facility for the Mentally Retarded/Developmentally Disabled - Lease"

"Eastern State Hospital - Lease"

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## HOUSE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

**H - Health and Family Services Cabinet****Capital Budget****Mental Health/Mental Retardation Services**

Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference
<b>I. CAPITAL PROJECT RECAP BY FUND SOURCE</b>								
General Fund								
Restricted Funds				400,000	400,000			
Federal Funds				400,000	(400,000)			
Bond Funds				2,012,000	2,131,000	119,000		
Capital Construction Surplus				700,000	700,000			
Investment Income				1,500,000	1,500,000	1,500,000	1,500,000	
<b>TOTAL CAPITAL</b>			<b>4,612,000</b>	<b>4,731,000</b>	<b>119,000</b>	<b>1,500,000</b>	<b>1,500,000</b>	

**II. CAPITAL PROJECTS****1 Maintenance Pool**

PRJ7292530

Investment Income	1,500,000	1,500,000	1,500,000	1,500,000
<b>Project Total</b>	<b>1,500,000</b>	<b>1,500,000</b>	<b>1,500,000</b>	<b>1,500,000</b>

**3 Replace Chillers,Heating & Cooling Lines-Oakwood**

PRJ7292509

Bond Funds	2,012,000	2,131,000	119,000
<b>Project Total</b>	<b>2,012,000</b>	<b>2,131,000</b>	<b>119,000</b>

**5 Roof Pool**

PRJ7292527

Capital Construction Surplus	700,000	700,000
<b>Project Total</b>	<b>700,000</b>	<b>700,000</b>

**6 Chiller Pool**

PRJ7292528

Restricted Funds		400,000	400,000
Federal Funds	400,000		(400,000)
<b>Project Total</b>	<b>400,000</b>	<b>400,000</b>	

**22 MH/MR Fayette County Lease**

PRJ7292534

General Fund

**Project Total**

## HOUSE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

**H - Health and Family Services Cabinet****Capital Budget****Mental Health/Mental Retardation Services**

Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference
<b>23 MH/MR Franklin County Lease</b>								
PRJ7292535								
General Fund								
<b>Project Total</b>								
<b>24 Hazelwood ICF MR/DD Facility - Lease</b>								
PRJ7292537								
Agency Bonds								
<b>Project Total</b>								
<b>25 Eastern State Hospital - Lease</b>								
PRJ7292539								
Agency Bonds								
<b>Project Total</b>								
<b>TOTAL CAPITAL</b>			<b>4,612,000</b>	<b>4,731,000</b>	<b>119,000</b>	<b>1,500,000</b>	<b>1,500,000</b>	

## HOUSE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

## H - Health and Family Services Cabinet

## Operating Budget

## Public Health

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference
<b>I. APPROPRIATIONS SUMMARY BY FUND SOURCE</b>									
General Fund (Tobacco)	16,495,800	16,495,800		14,000,900	14,000,900		14,721,100	14,721,100	
General Fund	65,946,900	65,946,900		64,882,700	70,309,700	5,427,000	67,131,000	72,983,000	5,852,000
Restricted Funds	71,297,500	71,297,500		71,482,700	71,482,700		71,599,000	71,599,000	
Federal Funds	168,481,700	168,481,700		169,426,000	169,426,000		169,878,400	169,878,400	
<b>Regular Total Funds</b>	<b>322,221,900</b>	<b>322,221,900</b>		<b>319,792,300</b>	<b>325,219,300</b>	<b>5,427,000</b>	<b>323,329,500</b>	<b>329,181,500</b>	<b>5,852,000</b>
Use of Continuing	2,651,900	2,651,900							
<b>TOTAL FUNDS</b>	<b>324,873,800</b>	<b>324,873,800</b>		<b>319,792,300</b>	<b>325,219,300</b>	<b>5,427,000</b>	<b>323,329,500</b>	<b>329,181,500</b>	<b>5,852,000</b>
<b>II. EXPENDITURE CATEGORY</b>									
Personnel Costs	41,472,100	41,472,100		41,195,300	41,195,300		41,304,400	41,304,400	
Operating Expenses	18,084,000	18,084,000		18,199,700	18,249,700	50,000	18,217,300	18,217,300	
Grants, Loans, Benefits	265,317,700	265,317,700		260,397,300	265,774,300	5,377,000	263,807,800	269,193,800	5,386,000
Debt Service								466,000	466,000
<b>TOTAL EXPENDITURES</b>	<b>324,873,800</b>	<b>324,873,800</b>		<b>319,792,300</b>	<b>325,219,300</b>	<b>5,427,000</b>	<b>323,329,500</b>	<b>329,181,500</b>	<b>5,852,000</b>
<b>III. BASE LEVEL BUDGET BY FUND SOURCE</b>									
General Fund (Tobacco)	16,495,800	16,495,800		14,000,900	14,000,900		14,721,100	14,721,100	
General Fund	65,946,900	65,946,900		63,732,700	63,732,700		65,631,000	65,631,000	
Restricted Funds	71,297,500	71,297,500		71,482,700	71,482,700		71,599,000	71,599,000	
Federal Funds	168,481,700	168,481,700		169,426,000	169,426,000		169,878,400	169,878,400	
<b>Regular Total Funds</b>	<b>322,221,900</b>	<b>322,221,900</b>		<b>318,642,300</b>	<b>318,642,300</b>		<b>321,829,500</b>	<b>321,829,500</b>	
Use of Continuing	2,651,900	2,651,900							
<b>TOTAL BASE LEVEL</b>	<b>324,873,800</b>	<b>324,873,800</b>		<b>318,642,300</b>	<b>318,642,300</b>		<b>321,829,500</b>	<b>321,829,500</b>	
<b>IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE</b>									
General Fund				1,150,000	6,577,000	5,427,000	1,500,000	7,352,000	5,852,000
<b>TOTAL ADDITIONAL</b>				<b>1,150,000</b>	<b>6,577,000</b>	<b>5,427,000</b>	<b>1,500,000</b>	<b>7,352,000</b>	<b>5,852,000</b>
<b>V. ADDITIONAL BUDGET ITEMS</b>									
<b>1 NEW Health Kentucky</b>									
ABR7280012 Provide General Fund for Health Kentucky Program.									
General Fund				150,000	150,000				
<b>Project Total</b>				<b>150,000</b>	<b>150,000</b>				

**H - Health and Family Services Cabinet****Operating Budget****Public Health**

			Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
			Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference
<b>2</b>	<b>NEW</b>	<b>Gov. Council on Wellness &amp; Fitness</b>									
ABR7280013		Provide General Fund for a comprehensive statewide program to encourage children, adults and seniors to get active.									
General Fund				1,000,000		1,000,000			1,500,000	1,500,000	
<b>Project Total</b>				<b>1,000,000</b>		<b>1,000,000</b>			<b>1,500,000</b>	<b>1,500,000</b>	
<b>3</b>	<b>CONT</b>	<b>Health Insurance Pool - Local and District Health Departments</b>									
ABR7280014		Redirect from Personnel Cabinet Pool to support Health Insurance cost for Local and District Health Departments.									
General Fund						2,174,000	2,174,000			2,174,000	2,174,000
<b>Project Total</b>						<b>2,174,000</b>	<b>2,174,000</b>			<b>2,174,000</b>	<b>2,174,000</b>
<b>4</b>	<b>CONT</b>	<b>Ky AIDS Drug Assistance Program</b>									
ABR7280015		Provide General Fund to support increased operating cost.									
General Fund						70,000	70,000			70,000	70,000
<b>Project Total</b>						<b>70,000</b>	<b>70,000</b>			<b>70,000</b>	<b>70,000</b>
<b>5</b>	<b>NEW</b>	<b>Diabetes Centers of Excellence</b>									
ABR7280016		Provide General Fund to establish 3 regional Diabetes Centers of Excellence through Local or District Health Departments to demonstrate the potential to reduce Medicaid expenditures.									
General Fund						750,000	750,000			750,000	750,000
<b>Project Total</b>						<b>750,000</b>	<b>750,000</b>			<b>750,000</b>	<b>750,000</b>
<b>7</b>	<b>CONT</b>	<b>KY Poison Control Center</b>									
ABR7280017		Provide General Fund for additional operating cost									
General Fund						150,000	150,000			150,000	150,000
<b>Project Total</b>						<b>150,000</b>	<b>150,000</b>			<b>150,000</b>	<b>150,000</b>
<b>8</b>	<b>CONT</b>	<b>UK Center for Rural Health - KY Homeplace</b>									
ABR7280018		Provide General Fund for additional Operating cost									
General Fund						208,000	208,000			208,000	208,000
<b>Project Total</b>						<b>208,000</b>	<b>208,000</b>			<b>208,000</b>	<b>208,000</b>
<b>9</b>	<b>NEW</b>	<b>Local and District Health Department Construction / Renovation Pool</b>									
ABR7280019		Debt service in FY 2007-2008 to support \$10,000,000 in new bonds for Local and District Health Department Construction/ Renovation Pool									
General Fund										466,000	466,000
<b>Project Total</b>										<b>466,000</b>	<b>466,000</b>

## HOUSE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

## H - Health and Family Services Cabinet

## Operating Budget

## Public Health

			Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
			Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference
<b>10</b>	<b>NEW</b>	<b>Healthcare Education and Registration Training</b>									
ABR7280020 Provide General Fund for operating assistance to HEART program in Western KY.											
General Fund											

**H - Health and Family Services Cabinet****Operating Budget****Public Health**

Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference
<b>18 NEW</b>	<b>KY Prescription Drug Patient Assistance Program</b>							
ABR7280029	Provide General Fund to establish statewide link for low-income individuals to obtain free prescriptions from pharmaceutical companies.							
General Fund				125,000	125,000		200,000	200,000
<b>Project Total</b>				<b>125,000</b>	<b>125,000</b>		<b>200,000</b>	<b>200,000</b>
<b>19 NEW</b>	<b>Mission Frankfort Clinic</b>							
ABR7280027	Provide General Fund for operating support.							
General Fund				50,000	50,000			
<b>Project Total</b>				<b>50,000</b>	<b>50,000</b>			
<b>20 NEW</b>	<b>Area Health Education Centers</b>							
ABR7280030	Provide General Fund to replace former federal grants.							
General Fund				1,500,000	1,500,000		1,500,000	1,500,000
<b>Project Total</b>				<b>1,500,000</b>	<b>1,500,000</b>		<b>1,500,000</b>	<b>1,500,000</b>
<b>TOTAL ADDITIONAL</b>			<b>1,150,000</b>	<b>6,577,000</b>	<b>5,427,000</b>	<b>1,500,000</b>	<b>7,352,000</b>	<b>5,852,000</b>

**TRANSFERS TO THE GENERAL FUND****Public Health**

Agency Revenue Fund	4,657,000	4,657,000	542,800	542,800	483,000	483,000
(KRS 194A.050(4), 211.350(7), 211.848(2), 212.025(2), 213.141(3), 217.125(2), 219.071 and 221.020(2))						
<b>TOTAL</b>	<b>4,657,000</b>	<b>4,657,000</b>	<b>542,800</b>	<b>542,800</b>	<b>483,000</b>	<b>483,000</b>



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**Public Health**

**BRANCH BUDGET**

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2006-2008 based upon extending the reduced fiscal year 2005-2006 funding level as revised by the Governor's fiscal year 2005-2006 Budget Stability Initiative. This initiative is projected to contribute \$142,500,000 to the General Fund during fiscal year 2005-2006.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy addresses increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part V, Funds Transfer, includes a transfer from Public Health, Restricted Funds of \$4,657,000 in fiscal year 2005-2006, \$542,800 in fiscal year 2006-0207 and \$483,000 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill, Part I, Operating Budget includes language provisions that direct:

**"Health Kentucky:** Included in the above General Fund appropriation is \$150,000 in fiscal year 2006-2007 for Health Kentucky, Inc."

**"Tobacco Settlement Funds:** Included in the above General Fund (Tobacco) appropriation is \$7,149,800 in fiscal year 2006-2007 and \$7,599,900 in fiscal year 2007-2008 for the Health Access Nurturing Development Services Program; \$1,000,000 in fiscal year 2006-2007 and \$1,140,100 in fiscal year 2007-2008 for Healthy Start initiatives; \$1,750,000 in each fiscal year for Universal Children's Immunizations; \$400,000 in each fiscal year for the Folic Acid Program; \$775,000 in each fiscal year for Early Childhood Mental Health; \$210,500 in each fiscal year for Early Childhood Oral Health; \$2, 215,600 in fiscal year 2006-2007 and \$2,345,600 in fiscal year 2007-2008 for the Smoking Cessation Program; and \$500,000 in each fiscal year for the Kentucky Early Intervention Services First Steps Program."

**"Governor's Council on Wellness and Physical Activity:** Included in the above General Fund appropriation is \$1,000,000 in fiscal year 2006-2007 and \$1,500,000 in fiscal year 2007-2008 for the Governor's Council on Wellness and Physical Activity to develop and implement a statewide fitness program available to all Kentuckians that promotes fitness and wellness for persons of all ages and fitness levels."

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**Public Health**

The State/Executive Branch Budget Bill, Part X, Phase I Tobacco Settlement includes language that directs the following reductions in the fiscal year 2005-06 appropriation to Public Health: HANDS - \$393,000, Healthy Start - \$50,000 Immunizations - \$250,000 and Smoking Cessation - \$184,200.

The State/Executive Branch Budget Bill, Part X, Phase I Tobacco Settlement includes language that directs:

**"HANDS Program, Healthy Start, Universal Children's Immunizations, Folic Acid Program, Early Childhood Mental Health, Early Childhood Oral Health, and Kentucky Early Intervention Services First Steps:** Included in the above General Fund (Tobacco) appropriation is \$7,149,800 in fiscal year 2006-2007 and \$7,599,900 in fiscal year 2007-2008 for the Health Access Nurturing Development Services (HANDS) Program; \$1,000,000 in fiscal year 2006-2007 and \$1,140,100 in fiscal year 2007-2008 for Healthy Start initiatives; \$1,750,000 in each fiscal year for Universal Children's Immunizations; \$400,000 in each fiscal year for the Folic Acid Program; \$775,000 in each fiscal year for Early Childhood Mental Health; \$210,500 in each fiscal year for Early Childhood Oral Health; and \$500,000 in each fiscal year for the Kentucky Early Intervention Services First Steps Program."

**"Smoking Cessation Program:** Included in the above General Fund (Tobacco) appropriation is \$2,215,600 in fiscal year 2006-2007 and \$2,345,600 in fiscal year 2007-2008 for the Smoking Cessation Program."

**HOUSE REPORT**

The House concurs with the Branch with the following changes:

The house amends the State/Executive Branch Budget Bill, Part I Operating Budget, to include the following language provisions.

**"Local and District Health Department Payments:** The Department for Public Health shall not impose a cap or other restriction on the number or amount of services that a Local or District Health Department may provide. The Department for Public Health shall submit all requests for payment for services provided to the Department for Medicaid Services that are submitted by a Local or District Health Department."

**"Medicaid State Match for Preventive Services Through Local and District Health Departments:** Included in the Medicaid Benefits appropriation is the total General Fund state matching dollars required in each fiscal year to fully support preventive health services provided to Medicaid recipients through Local and District Health Departments."

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**Public Health**

**"Health Insurance for Local and District Health Departments:** Included in the above General Fund appropriation is \$6,174,000 each fiscal year to assist the Local and District Health Departments with the required increased employer contribution for employee health insurance. These funds shall be distributed to the Local and District Health Departments at least quarterly."

**"Kentucky AIDS Drug Assistance Program:** Included in the above General Fund appropriation is \$250,000 in each fiscal year for the Kentucky AIDS Drug Assistance Program (KADAP)."

**"Diabetes Services:** Included in the above General Fund appropriation is \$2,300,000 for continuation of base services through Local or District Health Departments in each year of the biennium."

**"Diabetes Research Board:** Included in the above General Fund appropriation is \$200,000 in each fiscal year, which shall be allocated to the Diabetes Research Board."

**"Diabetes Centers of Excellence:** Included in the above General Fund appropriation is \$750,000 each fiscal year to establish three regional Diabetes Centers of Excellence. Services within the Centers will be based on the number of Medicaid recipients diagnosed with diabetes within the area. These centers shall be designed to provide education, intervention therapy, and case management services and shall demonstrate the effectiveness of this intervention with outcomes and reduced Medicaid expenditures for this disease."

**"Local and District Health Department Infrastructure Pool:** Included in the above General Fund appropriation is \$466,000 in fiscal year 2007-2008 to provide debt service to support \$10,000,000 in bonds for a Local and District Health Department Infrastructure Pool to be administered by the Department for Public Health to address a portion of the construction and renovation needs of the local public health agencies as set forth in Part II, Capital Projects Budget, of this Act. The Department for Public Health shall establish an application process to participate in this pool, and that process may require in-kind or matching funds from the local agency. No individual grant from this pool shall exceed \$750,000. If the amount of bond funds available from the pool is not sufficient to cover all applications, the department shall determine the distribution of pool assets."

**"Poison Control Center:** Additional support of \$150,000 is provided in the above General Fund appropriation in each fiscal year for the Poison Control Center to provide for increased operating costs since the program began."

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**Public Health**

**"Lead Poisoning and Screening Program:** Included in the above General Fund appropriation is \$50,000 in each fiscal year for the Lead Poisoning and Screening Program. With these funds, the Department for Public Health shall review all federal Medicaid or Medicare compliance issues with respect to lead poisoning and screening and report its findings to the General Assembly. The report shall include a proposed plan of action to correct any deficiencies or areas where programs and services are offered or supported by the Cabinet and are not in compliance with federal requirements related to lead poisoning and screening."

**"Kentucky Prescription Drug Patient Assistance Program:** Included in the above General Fund appropriation is \$125,000 in fiscal year 2006-2007 and \$200,000 in fiscal year 2007-2008 to establish the Kentucky Prescription Drug Patient Assistance Program to create a statewide network to link low-income Kentuckians with prescription drug patient assistance programs offered by pharmaceutical companies and to provide assistance in obtaining and completing the required documents. The Department may contract with the University of Kentucky, local health departments, or other organizations to develop a network and provide this assistance."

**"Area Health Education Centers:** Included in the above General Fund appropriation is \$1,500,000 in fiscal year 2006-2007 and \$1,500,000 in fiscal year 2007-2008 to support the Area Health Education Centers. The Cabinet for Health and Family Services shall contract with the University of Louisville and the University of Kentucky to provide the required support and the amount of that contract shall be in addition to any other appropriations received by the universities and shall not become part of the universities' base budgets for purposes of the Council on Postsecondary Education funding formula."

The House also provides additional General Fund support for the following items:

1. UK Center for Rural Health - KY Homeplace \$208,000 in 2006-2007 and \$208,000 in 2007-2008;
2. Health Education and Registration Training \$50,000 in 2006-2007 and \$50,000 in 2007-2008;
3. Community Health Clinic \$100,000 in 2006-2007 and \$100,000 in 2007-2008;
4. Indigent Health Services \$25,000 in 2006-2007;
5. Liberty District Ralph Bunch Community Center \$25,000 in 2006-2007;
6. Epilepsy Foundation of Kentucky \$100,000 in 2006-2007 and \$100,000 in 2007-2008;
7. Lexington Hearing and Speech Center \$50,000 in 2006-2007;
8. Saint Joseph's Mobile Health Clinic \$34,000 in 2007-2008;
9. Mission Frankfort Clinic \$50,000 in 2006-2007; and

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**Public Health**

The House amends the State/Executive Branch Budget Bill, Part II Capital Budget, to include the \$10,000,000 Bond Funds in fiscal year 2006-2007 for the Local and District Health Department Construction Pool.

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## HOUSE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

## H - Health and Family Services Cabinet

## Capital Budget

## Public Health

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference
<b>I. CAPITAL PROJECT RECAP BY FUND SOURCE</b>									
Bond Funds					10,000,000	10,000,000			
<b>TOTAL CAPITAL</b>					<b>10,000,000</b>	<b>10,000,000</b>			
<b>II. CAPITAL PROJECTS</b>									
<b>1</b>	<b>Local and District Health Department Construction Pool</b>								
PRJ7281132									
Bond Funds					10,000,000	10,000,000			
<b>Project Total</b>					<b>10,000,000</b>	<b>10,000,000</b>			
<b>TOTAL CAPITAL</b>					<b>10,000,000</b>	<b>10,000,000</b>			

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## HOUSE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

## H - Health and Family Services Cabinet

## Operating Budget

## Health Policy

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference
<b>I. APPROPRIATIONS SUMMARY BY FUND SOURCE</b>									
General Fund	632,700	632,700		636,000	636,000		625,600	625,600	
Restricted Funds	579,500	579,500		605,700	605,700		622,400	622,400	
<b>Regular Total Funds</b>	<b>1,212,200</b>	<b>1,212,200</b>		<b>1,241,700</b>	<b>1,241,700</b>		<b>1,248,000</b>	<b>1,248,000</b>	
Use of Continuing									
<b>TOTAL FUNDS</b>	<b>1,212,200</b>	<b>1,212,200</b>		<b>1,241,700</b>	<b>1,241,700</b>		<b>1,248,000</b>	<b>1,248,000</b>	
<b>II. EXPENDITURE CATEGORY</b>									
Personnel Costs	1,172,200	1,172,200		1,196,700	1,196,700		1,203,000	1,203,000	
Operating Expenses	40,000	40,000		45,000	45,000		45,000	45,000	
<b>TOTAL EXPENDITURES</b>	<b>1,212,200</b>	<b>1,212,200</b>		<b>1,241,700</b>	<b>1,241,700</b>		<b>1,248,000</b>	<b>1,248,000</b>	
<b>III. BASE LEVEL BUDGET BY FUND SOURCE</b>									
General Fund	632,700	632,700		636,000	636,000		625,600	625,600	
Restricted Funds	579,500	579,500		250,500	250,500		250,500	250,500	
<b>Regular Total Funds</b>	<b>1,212,200</b>	<b>1,212,200</b>		<b>886,500</b>	<b>886,500</b>		<b>876,100</b>	<b>876,100</b>	
Use of Continuing									
<b>TOTAL BASE LEVEL</b>	<b>1,212,200</b>	<b>1,212,200</b>		<b>886,500</b>	<b>886,500</b>		<b>876,100</b>	<b>876,100</b>	
<b>IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE</b>									
Restricted Funds				355,200	355,200		371,900	371,900	
<b>TOTAL ADDITIONAL</b>				<b>355,200</b>	<b>355,200</b>		<b>371,900</b>	<b>371,900</b>	
<b>V. ADDITIONAL BUDGET ITEMS</b>									
<b>1 EXPAN CHFS Health Policy -Staffing</b>									
ABR7240001 Provide Restricted Funds to support 1 vacant position and 3 additional staff positions.									
Restricted Funds				355,200	355,200		371,900	371,900	
<b>Project Total</b>				<b>355,200</b>	<b>355,200</b>		<b>371,900</b>	<b>371,900</b>	
<b>TOTAL ADDITIONAL</b>				<b>355,200</b>	<b>355,200</b>		<b>371,900</b>	<b>371,900</b>	

## TRANSFERS TO THE GENERAL FUND

## Health Policy

Agency Revenue Fund	351,700	351,700
(KRS 212.025(2))		

## HOUSE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

## H - Health and Family Services Cabinet

## Operating Budget

## Health Policy

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference
TOTAL	351,700	351,700							

**Fiscal Biennium 2006-2008  
Budget Modification Report**

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**Office of Health Policy**

**BRANCH BUDGET**

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2006-2008 based upon extending the reduced fiscal year 2005-2006 funding level as revised by the Governor's fiscal year 2005-2006 Budget Stability Initiative. This initiative is projected to contribute \$142,500,000 to the General Fund during fiscal year 2005-2006.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy addresses increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part V, Funds Transfer, includes a transfer from Health Policy, Restricted Funds of \$351,700 in fiscal year 2005-2006.

The State/Executive Branch Budget Bill, Part I, Operating Budget, Restricted Funds, includes a projected increase in receipts as a result of a revised method of determining the fee for CON applications.

**HOUSE REPORT**

The House concurs with the Branch.

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## HOUSE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

## H - Health and Family Services Cabinet

## Operating Budget

## Human Support Services

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference
<b>I. APPROPRIATIONS SUMMARY BY FUND SOURCE</b>									
General Fund (Tobacco)				100,000	100,000		100,000	100,000	
General Fund	30,455,900	30,455,900		31,967,500	41,878,400	9,910,900	32,502,700	45,998,400	13,495,700
Restricted Funds	825,900	825,900		656,600	656,600		656,600	656,600	
Federal Funds	24,448,900	24,448,900		24,396,700	24,396,700		24,401,900	24,401,900	
<b>Regular Total Funds</b>	<b>55,730,700</b>	<b>55,730,700</b>		<b>57,120,800</b>	<b>67,031,700</b>	<b>9,910,900</b>	<b>57,661,200</b>	<b>71,156,900</b>	<b>13,495,700</b>
Use of Continuing									
<b>TOTAL FUNDS</b>	<b>55,730,700</b>	<b>55,730,700</b>		<b>57,120,800</b>	<b>67,031,700</b>	<b>9,910,900</b>	<b>57,661,200</b>	<b>71,156,900</b>	<b>13,495,700</b>
<b>II. EXPENDITURE CATEGORY</b>									
Personnel Costs	2,508,700	2,508,700		2,501,800	2,501,800		2,542,200	2,542,200	
Operating Expenses	580,300	580,300		420,800	420,800		420,800	420,800	
Grants, Loans, Benefits	52,641,700	52,641,700		54,198,200	64,109,100	9,910,900	54,698,200	68,193,900	13,495,700
<b>TOTAL EXPENDITURES</b>	<b>55,730,700</b>	<b>55,730,700</b>		<b>57,120,800</b>	<b>67,031,700</b>	<b>9,910,900</b>	<b>57,661,200</b>	<b>71,156,900</b>	<b>13,495,700</b>
<b>III. BASE LEVEL BUDGET BY FUND SOURCE</b>									
General Fund (Tobacco)				100,000	100,000		100,000	100,000	
General Fund	30,455,900	30,455,900		31,467,500	31,467,500		31,502,700	31,502,700	
Restricted Funds	725,900	725,900		185,900	185,900		185,900	185,900	
Federal Funds	24,448,900	24,448,900		24,396,700	24,396,700		24,401,900	24,401,900	
<b>Regular Total Funds</b>	<b>55,630,700</b>	<b>55,630,700</b>		<b>56,150,100</b>	<b>56,150,100</b>		<b>56,190,500</b>	<b>56,190,500</b>	
Use of Continuing									
<b>TOTAL BASE LEVEL</b>	<b>55,630,700</b>	<b>55,630,700</b>		<b>56,150,100</b>	<b>56,150,100</b>		<b>56,190,500</b>	<b>56,190,500</b>	
<b>IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE</b>									
General Fund				500,000	10,410,900	9,910,900	1,000,000	14,495,700	13,495,700
Restricted Funds	100,000	100,000		470,700	470,700		470,700	470,700	
<b>TOTAL ADDITIONAL</b>	<b>100,000</b>	<b>100,000</b>		<b>970,700</b>	<b>10,881,600</b>	<b>9,910,900</b>	<b>1,470,700</b>	<b>14,966,400</b>	<b>13,495,700</b>
<b>V. ADDITIONAL BUDGET ITEMS</b>									
<b>1</b>	<b>EXPAN Human Support Services - Aging Services Waiting List - Expansion</b>								
ABR7300003	Provide funds to support service expansion to individuals currently on waiting list; HOUSE: Increase funding for Homecare, adds funds to support 50 additional PCAP slots and expanded non-medical Adult Day Care.								
General Fund				500,000	3,500,000	3,000,000	1,000,000	4,000,000	3,000,000
<b>Project Total</b>				<b>500,000</b>	<b>3,500,000</b>	<b>3,000,000</b>	<b>1,000,000</b>	<b>4,000,000</b>	<b>3,000,000</b>

**H - Health and Family Services Cabinet****Operating Budget****Human Support Services**

Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference
<b>2 EXPAN Human Support Services - LTC Ombudsman</b>								
ABR7300002	Continue the policy to fully fund these positions with Restricted Funds.							
Restricted Funds			460,000	460,000		460,000	460,000	
<b>Project Total</b>			<b>460,000</b>	<b>460,000</b>		<b>460,000</b>	<b>460,000</b>	
<b>3 EXPAN Human Support Services - Assisted Living</b>								
ABR7300004	Provide Restricted Funds to conduct additional Assisted Living Facility reviews.							
Restricted Funds			10,700	10,700		10,700	10,700	
<b>Project Total</b>			<b>10,700</b>	<b>10,700</b>		<b>10,700</b>	<b>10,700</b>	
<b>4 CONT Area Agencies on Aging - Fuel Cost</b>								
ABR7300009	Provide Restricted Funds to address increased cost of motor vehicle fuel for home delivered meals in FY 2005-2006.							
Restricted Funds	100,000	100,000						
<b>Project Total</b>	<b>100,000</b>	<b>100,000</b>						
<b>5 CONT Regional Rape Crisis Center</b>								
ABR7300010	Provide \$66,000 General Fund to each district to support additional operating cost.							
General Fund				1,000,000	1,000,000		1,000,000	1,000,000
<b>Project Total</b>				<b>1,000,000</b>	<b>1,000,000</b>		<b>1,000,000</b>	<b>1,000,000</b>
<b>6 CONT Child Advocacy Centers</b>								
ABR7300011	Provide \$32,000 additional General Fund to each district to support additional operational cost and \$34,600 General Fund to each district that will employ or contract for a 1/2 time forensic interviewer.							
General Fund				1,000,000	1,000,000		1,000,000	1,000,000
<b>Project Total</b>				<b>1,000,000</b>	<b>1,000,000</b>		<b>1,000,000</b>	<b>1,000,000</b>
<b>7 CONT Domestic Violence Services</b>								
ABR7300012	Provide \$45,000 General Fund to each district for additional operational cost since last increase.							
General Fund				677,500	677,500		677,500	677,500
<b>Project Total</b>				<b>677,500</b>	<b>677,500</b>		<b>677,500</b>	<b>677,500</b>
<b>8 EXPAN Domestic Violence Services - Madison County</b>								
ABR7300013	Provide \$400,000 to expand current service in Madison Co to provide a full service shelter.							
General Fund				400,000	400,000		400,000	400,000
<b>Project Total</b>				<b>400,000</b>	<b>400,000</b>		<b>400,000</b>	<b>400,000</b>

**H - Health and Family Services Cabinet****Operating Budget****Human Support Services**

Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference
<b>9 NEW</b>	<b>Grandparent Assistance Program</b>							
ABR7300014	Provide \$1,250,000 in FY 2006-07 and \$2,000,000 in FY 2007-08 to establish the Grandparent Assistance Program for those grandparents, below 150% of poverty level, who are the primary caregiver of grandchildren.							
General Fund				1,250,000	1,250,000		2,000,000	2,000,000
<b>Project Total</b>				<b>1,250,000</b>	<b>1,250,000</b>		<b>2,000,000</b>	<b>2,000,000</b>
<b>10 CONT</b>	<b>FRYSC rate adjustment</b>							
ABR7300015	Provide General Fund to adjust the rates to \$204 per eligible in FY 2006-07 and \$210 per eligible in FY 2007-08.							
General Fund				1,522,600	1,522,600		3,045,200	3,045,200
<b>Project Total</b>				<b>1,522,600</b>	<b>1,522,600</b>		<b>3,045,200</b>	<b>3,045,200</b>
<b>11 EXPAN</b>	<b>FRYSC Expansion</b>							
ABR7300016	Provide General Fund to expand FRYSC services to 25 additional eligible schools in FY 2006-07 and 29 more eligible schools in FY 2007-08.							
General Fund				1,060,800	1,060,800		2,373,000	2,373,000
<b>Project Total</b>				<b>1,060,800</b>	<b>1,060,800</b>		<b>2,373,000</b>	<b>2,373,000</b>
<b>TOTAL ADDITIONAL</b>	<b>100,000</b>	<b>100,000</b>		<b>970,700</b>	<b>10,881,600</b>	<b>9,910,900</b>	<b>1,470,700</b>	<b>14,966,400</b>
								<b>13,495,700</b>

**TRANSFERS TO THE GENERAL FUND****Human Support Services**

Agency Revenue Fund (KRS 212.025(2))	156,500	156,500
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<b>TOTAL</b>	<b>156,500</b>	<b>156,500</b>
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**Fiscal Biennium 2006-2008  
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**Human Support Services**

**BRANCH BUDGET**

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2006-2008 based upon extending the reduced fiscal year 2005-2006 funding level as revised by the Governor's fiscal year 2005-2006 Budget Stability Initiative. This initiative is projected to contribute \$142,500,000 to the General Fund during fiscal year 2005-2006.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy addresses increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part V, Funds Transfer, includes a transfer from Human Support Services, Restricted Funds of \$156,500 in fiscal year 2005-2006.

The State/Executive Branch Budget Bill, Part I, Operating Budget includes language provisions that direct:

**"Local Match Requirements:** Notwithstanding KRS 205.460, entities contracting with the Cabinet for Health and Family Services to provide essential services under KRS 205.455 and 205.460 shall provide local match equal to or greater than the amount in effect during fiscal year 2005-2006. Local match may include any combination of materials, commodities, transportation, office space, personal services, or other types of facility services or funds. The Secretary of the Cabinet for Health and Family Services shall prescribe the procedures to certify the local match assurance."

**"Tobacco Settlement Funds:** Included in the above General Fund (Tobacco) appropriation is \$100,000 in each fiscal year for the Children's Advocacy Centers."

The State/Executive Branch Budget Bill, Part X, Phase I Tobacco Settlement includes language that directs the following:

**"Children's Advocacy Centers:** Included in the above General Fund (Tobacco) appropriation is \$100,000 in each fiscal year for Children's Advocacy Centers."

**HOUSE REPORT**

The House concurs with the Branch with the following changes:

The House amends the State/Executive Branch Budget Bill, Part I Operating Budget, to include the following language provisions:



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**Human Support Services**

**"Children's Advocacy Centers:** Included in the above General Fund appropriation is funding to provide each Regional Children's Advocacy Center an increase in its base operating grant of \$32,000 for each fiscal year. Also included in the above General Fund appropriation is funding to provide each Regional Children's Advocacy Center an additional \$34,600 appropriation each fiscal year provided that the Center has on staff, or can document the intent to employ or contract for, a qualified forensic interviewer at least half-time."

**"Regional Rape Crisis Centers:** Included in the above General Fund appropriation is funding to provide an increase of \$66,600 in base state funding for each region, for each year of the biennium, to cover increased levels of client service needs and increased cost of center operations."

**"Domestic Violence Statewide Programs:** Included in the above General Fund appropriation is funding to provide a grant of \$45,000 for each region for each fiscal year, to cover increased levels of client service needs and increased cost of center operations of Domestic Violence Programs. These funds are in addition to funding received through the Department for Community Based Services."

**"Domestic Violence Program Enhancement:** Included in the above General Fund appropriation is \$400,000 in fiscal year 2006-2007 and \$400,000 in fiscal year 2007-2008 to establish a full-service Domestic Violence Shelter program in Richmond."

**"Family Resource and Youth Service Centers:** Included in the above General Fund appropriation is \$1,522,600 in fiscal year 2006-2007 and \$3,045,200 in fiscal year 2007-2008 to provide an allocation rate increase to \$204 per eligible child in fiscal year 2006-2008, and return to the original allocation rate of \$210 per eligible child in fiscal year 2007-2008. Also included in the above General Fund appropriation is \$1,060,800 to expand the program to serve 25 additional schools in fiscal year 2006-2007 and \$2,373,000 to expand the program to serve 29 additional schools in fiscal year 2007-2008."

**"Kentucky Family Caregiver Program:** Included in the above General Fund appropriation is \$1,250,000 in fiscal year 2006-2007 and \$2,000,000 in fiscal year 2007-2008 for the expansion of the Kentucky Family Caregiver Program to provide assistance grants or vouchers to grandparents who are the primary caregivers of their grandchildren. To be eligible for this program, a grandparent may not have annual income that exceeds 150 percent of the federal poverty level and may not be receiving payments from the Kinship Care Program. The maximum total of grants or vouchers per child shall be \$750 in any one fiscal year for each grandchild. Grants or vouchers from this program shall be utilized by the grandparent to provide child clothing, respite assistance, educational supplies or assistance, required legal services, medical and dental services, and other expenses for the grandchild that the cabinet authorizes. The

**Fiscal Biennium 2006-2008  
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**Human Support Services**

Cabinet for Health and Family Services shall promulgate administrative regulations, in accordance with KRS Chapter 13A, to implement this program no later than January 1, 2007."

**"Expansion of Aging Services:** Included in the above General Fund appropriation is \$3,500,000 in fiscal year 2006-2007 and \$4,000,000 in fiscal year 2007-2008 to expand Aging Services. With these additional funds and the base appropriation, the total General Fund amount shall be expended in the following manner: \$19,329,800 in fiscal year 2006-2007 and \$19,669,800 in fiscal year 2007-2008 for Homecare Services; \$4,444,300 in fiscal year 2006-2007 and \$4,524,300 in fiscal year 2007-2008 for the Personal Care Attendant Program; and \$4,450,200 in fiscal year 2006-2007 and \$4,530,300 in fiscal year 2007-2008 for Adult Day Care."

## HOUSE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

## H - Health and Family Services Cabinet

## Operating Budget

## Ombudsman

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference
<b>I. APPROPRIATIONS SUMMARY BY FUND SOURCE</b>									
General Fund	3,619,500	3,619,500		3,568,400	3,568,400		3,534,400	3,534,400	
Restricted Funds	50,000	50,000		50,000	50,000		50,000	50,000	
Federal Funds	2,234,800	2,234,800		2,203,600	2,203,600		2,183,000	2,183,000	
<b>Regular Total Funds</b>	<b>5,904,300</b>	<b>5,904,300</b>		<b>5,822,000</b>	<b>5,822,000</b>		<b>5,767,400</b>	<b>5,767,400</b>	
Use of Continuing									
<b>TOTAL FUNDS</b>	<b>5,904,300</b>	<b>5,904,300</b>		<b>5,822,000</b>	<b>5,822,000</b>		<b>5,767,400</b>	<b>5,767,400</b>	
<b>II. EXPENDITURE CATEGORY</b>									
Personnel Costs	5,406,100	5,406,100		5,323,800	5,323,800		5,269,200	5,269,200	
Operating Expenses	498,200	498,200		498,200	498,200		498,200	498,200	
<b>TOTAL EXPENDITURES</b>	<b>5,904,300</b>	<b>5,904,300</b>		<b>5,822,000</b>	<b>5,822,000</b>		<b>5,767,400</b>	<b>5,767,400</b>	
<b>III. BASE LEVEL BUDGET BY FUND SOURCE</b>									
General Fund	3,619,500	3,619,500		3,568,400	3,568,400		3,534,400	3,534,400	
Restricted Funds	50,000	50,000		50,000	50,000		50,000	50,000	
Federal Funds	2,234,800	2,234,800		2,203,600	2,203,600		2,183,000	2,183,000	
<b>Regular Total Funds</b>	<b>5,904,300</b>	<b>5,904,300</b>		<b>5,822,000</b>	<b>5,822,000</b>		<b>5,767,400</b>	<b>5,767,400</b>	
Use of Continuing									
<b>TOTAL BASE LEVEL</b>	<b>5,904,300</b>	<b>5,904,300</b>		<b>5,822,000</b>	<b>5,822,000</b>		<b>5,767,400</b>	<b>5,767,400</b>	
<b>TRANSFERS TO THE GENERAL FUND</b>									
<b>Ombudsman</b>									
Agency Revenue Fund (KRS 212.025(2))	1,600	1,600							
<b>TOTAL</b>	<b>1,600</b>	<b>1,600</b>							

**Fiscal Biennium 2006-2008  
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**Ombudsman**

**BRANCH BUDGET**

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2006-2008 based upon extending the reduced fiscal year 2005-2006 funding level as revised by the Governor's fiscal year 2005-2006 Budget Stability Initiative. This initiative is projected to contribute \$142,500,000 to the General Fund during fiscal year 2005-2006.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy addresses increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part V, Funds Transfer, includes a transfer from the Ombudsman, Restricted Funds of \$1,600 in fiscal year 2005-2006.

**HOUSE REPORT**

The House concurs with the Branch.

## HOUSE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

## H - Health and Family Services Cabinet

## Operating Budget

## Disability Determination Services

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference
<b>I. APPROPRIATIONS SUMMARY BY FUND SOURCE</b>									
Restricted Funds	65,800	65,800		65,800	65,800		65,800	65,800	
Federal Funds	44,692,200	44,692,200		49,384,000	49,384,000		50,974,900	50,974,900	
<b>Regular Total Funds</b>	<b>44,758,000</b>	<b>44,758,000</b>		<b>49,449,800</b>	<b>49,449,800</b>		<b>51,040,700</b>	<b>51,040,700</b>	
Use of Continuing									
<b>TOTAL FUNDS</b>	<b>44,758,000</b>	<b>44,758,000</b>		<b>49,449,800</b>	<b>49,449,800</b>		<b>51,040,700</b>	<b>51,040,700</b>	
<b>II. EXPENDITURE CATEGORY</b>									
Personnel Costs	28,178,000	28,178,000		29,777,800	29,777,800		30,715,300	30,715,300	
Operating Expenses	3,430,000	3,430,000		3,469,100	3,469,100		3,466,600	3,466,600	
Grants, Loans, Benefits	13,150,000	13,150,000		16,202,900	16,202,900		16,858,800	16,858,800	
<b>TOTAL EXPENDITURES</b>	<b>44,758,000</b>	<b>44,758,000</b>		<b>49,449,800</b>	<b>49,449,800</b>		<b>51,040,700</b>	<b>51,040,700</b>	
<b>III. BASE LEVEL BUDGET BY FUND SOURCE</b>									
Restricted Funds	65,800	65,800		65,800	65,800		65,800	65,800	
Federal Funds	44,692,200	44,692,200		47,739,300	47,739,300		49,224,300	49,224,300	
<b>Regular Total Funds</b>	<b>44,758,000</b>	<b>44,758,000</b>		<b>47,805,100</b>	<b>47,805,100</b>		<b>49,290,100</b>	<b>49,290,100</b>	
Use of Continuing									
<b>TOTAL BASE LEVEL</b>	<b>44,758,000</b>	<b>44,758,000</b>		<b>47,805,100</b>	<b>47,805,100</b>		<b>49,290,100</b>	<b>49,290,100</b>	
<b>IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE</b>									
Federal Funds				1,644,700	1,644,700		1,750,600	1,750,600	
<b>TOTAL ADDITIONAL</b>				<b>1,644,700</b>	<b>1,644,700</b>		<b>1,750,600</b>	<b>1,750,600</b>	
<b>V. ADDITIONAL BUDGET ITEMS</b>									
<b>1 CONT Disability Determination - Staffing</b>									
ABR7260001 Provide Federal Funds to support 37 vacant positions.									
Federal Funds				1,644,700	1,644,700		1,750,600	1,750,600	
<b>Project Total</b>				<b>1,644,700</b>	<b>1,644,700</b>		<b>1,750,600</b>	<b>1,750,600</b>	
<b>TOTAL ADDITIONAL</b>				<b>1,644,700</b>	<b>1,644,700</b>		<b>1,750,600</b>	<b>1,750,600</b>	

## TRANSFERS TO THE GENERAL FUND

## Disability Determination Services

Agency Revenue Fund	2,400	2,400
(KRS 212.025(2))		

## HOUSE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

**H - Health and Family Services Cabinet****Operating Budget****Disability Determination Services**

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference
<b>TOTAL</b>	<b>2,400</b>	<b>2,400</b>							

**Fiscal Biennium 2006-2008  
Budget Modification Report**

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**Disability Determinations**

**BRANCH BUDGET**

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2006-2008 based upon extending the reduced fiscal year 2005-2006 funding level as revised by the Governor's fiscal year 2005-2006 Budget Stability Initiative. This initiative is projected to contribute \$142,500,000 to the General Fund during fiscal year 2005-2006.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy addresses increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part I, Operating Budget provides additional Federal Funds in the amount of \$1,644,700 in fiscal year 2006-2007 and \$1,750,000 in fiscal year 2007-2008 to support 37 additional personnel.

The State/Executive Branch Budget Bill, Part V, Funds Transfer, includes a transfer from the Department of Disability Determinations, Restricted Funds of \$2,400 in fiscal year 2005-2006.

**HOUSE REPORT**

The House concurs with the Branch.

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H - Health and Family Services Cabinet

Capital Budget

Disability Determination Services

Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference

I. CAPITAL PROJECT RECAP BY FUND SOURCE

Federal Funds

TOTAL CAPITAL

II. CAPITAL PROJECTS

1 Disability Deter. - Franklin County - Lease

PRJ7260001

Federal Funds

Project Total

TOTAL CAPITAL

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**H - Health and Family Services Cabinet****Operating Budget****Community Based Services**

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference
<b>I. APPROPRIATIONS SUMMARY BY FUND SOURCE</b>									
General Fund (Tobacco)	7,259,400	7,259,400		6,970,400	6,970,400		7,420,400	7,420,400	
General Fund	307,125,300	307,125,300		314,483,500	323,748,800	9,265,300	331,009,300	332,753,300	1,744,000
Restricted Funds	122,699,400	122,699,400		133,505,800	133,505,800		136,301,300	136,301,300	
Federal Funds	514,614,000	514,614,000		517,995,000	522,852,300	4,857,300	525,423,000	534,185,100	8,762,100
<b>Regular Total Funds</b>	<b>951,698,100</b>	<b>951,698,100</b>		<b>972,954,700</b>	<b>987,077,300</b>	<b>14,122,600</b>	<b>1,000,154,000</b>	<b>1,010,660,100</b>	<b>10,506,100</b>
Use of Continuing	127,400	127,400							
<b>TOTAL FUNDS</b>	<b>951,825,500</b>	<b>951,825,500</b>		<b>972,954,700</b>	<b>987,077,300</b>	<b>14,122,600</b>	<b>1,000,154,000</b>	<b>1,010,660,100</b>	<b>10,506,100</b>

**II. EXPENDITURE CATEGORY**

Personnel Costs	245,277,400	245,277,400		249,072,200	249,072,200		252,428,800	252,428,800	
Operating Expenses	44,006,300	44,006,300		41,483,700	41,483,700		41,510,400	41,510,400	
Grants, Loans, Benefits	662,541,800	662,541,800		682,398,800	696,521,400	14,122,600	706,214,800	716,486,900	10,272,100
Debt Service								234,000	234,000
<b>TOTAL EXPENDITURES</b>	<b>951,825,500</b>	<b>951,825,500</b>		<b>972,954,700</b>	<b>987,077,300</b>	<b>14,122,600</b>	<b>1,000,154,000</b>	<b>1,010,660,100</b>	<b>10,506,100</b>

**III. BASE LEVEL BUDGET BY FUND SOURCE**

General Fund (Tobacco)	7,259,400	7,259,400		6,970,400	6,970,400		7,420,400	7,420,400	
General Fund	307,125,300	307,125,300		305,978,700	304,725,500	(1,253,200)	305,982,400	290,827,300	(15,155,100)
Restricted Funds	122,699,400	122,699,400		122,349,600	122,349,600		127,336,800	127,336,800	
Federal Funds	509,713,700	509,713,700		494,500,600	494,500,600		491,874,800	491,874,800	
<b>Regular Total Funds</b>	<b>946,797,800</b>	<b>946,797,800</b>		<b>929,799,300</b>	<b>928,546,100</b>	<b>(1,253,200)</b>	<b>932,614,400</b>	<b>917,459,300</b>	<b>(15,155,100)</b>
Use of Continuing	127,400	127,400							
<b>TOTAL BASE LEVEL</b>	<b>946,925,200</b>	<b>946,925,200</b>		<b>929,799,300</b>	<b>928,546,100</b>	<b>(1,253,200)</b>	<b>932,614,400</b>	<b>917,459,300</b>	<b>(15,155,100)</b>

**IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE**

General Fund				8,504,800	19,023,300	10,518,500	25,026,900	41,926,000	16,899,100
Restricted Funds				11,156,200	11,156,200		8,964,500	8,964,500	
Federal Funds	4,900,300	4,900,300		23,494,400	28,351,700	4,857,300	33,548,200	42,310,300	8,762,100
<b>TOTAL ADDITIONAL</b>	<b>4,900,300</b>	<b>4,900,300</b>		<b>43,155,400</b>	<b>58,531,200</b>	<b>15,375,800</b>	<b>67,539,600</b>	<b>93,200,800</b>	<b>25,661,200</b>

**V. ADDITIONAL BUDGET ITEMS****2 GB Family & Community Services**

ABR7360006 Provide funds to support operating and grant expenses relating to adult and child protective services and Out-of-Home Care/Alternatives for Children.

General Fund				7,699,900	7,699,900		23,590,900	23,590,900	
Restricted Funds				11,156,200	11,156,200		8,964,500	8,964,500	
Federal Funds	4,900,300	4,900,300		13,571,800	13,571,800		23,216,500	23,216,500	

**H - Health and Family Services Cabinet****Operating Budget****Community Based Services**

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference
<b>Project Total</b>	<b>4,900,300</b>	<b>4,900,300</b>		<b>32,427,900</b>	<b>32,427,900</b>		<b>55,771,900</b>	<b>55,771,900</b>	
<b>5 EXPAN State Supplementation</b>									
ABR7360007 Provide funds to support Cost of Living Adjustment for program recipients in FY 2007-08.									
General Fund							277,500	277,500	
<b>Project Total</b>							<b>277,500</b>	<b>277,500</b>	
<b>6 RRF Food Stamps</b>									
ABR7360003 Provide funds to continue the Electronic Benefits Transfer program.									
General Fund				804,900	804,900		1,158,500	1,158,500	
Federal Funds				465,600	465,600		766,800	766,800	
<b>Project Total</b>				<b>1,270,500</b>	<b>1,270,500</b>		<b>1,925,300</b>	<b>1,925,300</b>	
<b>11 GB Child Care</b>									
ABR7360005 Provide funds to support an additional 855 families in FY 2006-07 and 880 families in FY 2007-08.									
Federal Funds				3,757,000	3,757,000		3,864,900	3,864,900	
<b>Project Total</b>				<b>3,757,000</b>	<b>3,757,000</b>		<b>3,864,900</b>	<b>3,864,900</b>	
<b>12 GB Weatherization</b>									
ABR7360001 Provide funds to support 320 household weather repairs.									
Federal Funds				900,000	900,000		900,000	900,000	
<b>Project Total</b>				<b>900,000</b>	<b>900,000</b>		<b>900,000</b>	<b>900,000</b>	
<b>13 GB Low Income Home Energy Assistance Program (LIHEAP)</b>									
ABR7360004 Provide funds to support 32,600 additional low income households.									
Federal Funds				4,800,000	4,800,000		4,800,000	4,800,000	
<b>Project Total</b>				<b>4,800,000</b>	<b>4,800,000</b>		<b>4,800,000</b>	<b>4,800,000</b>	
<b>14 NEW Kentucky Baptist Childrens Homes Youth Support Center</b>									
ABR7360020 Provide funds to support operating costs in London, Ky.									
General Fund					150,000	150,000		150,000	150,000
<b>Project Total</b>					<b>150,000</b>	<b>150,000</b>		<b>150,000</b>	<b>150,000</b>
<b>15 EXPAN Save the Children Rural Literacy Program</b>									
ABR7360021 Provide funds to expand rural literacy programs to additional schools.									
General Fund					250,000	250,000		250,000	250,000
<b>Project Total</b>					<b>250,000</b>	<b>250,000</b>		<b>250,000</b>	<b>250,000</b>

## HOUSE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

## H - Health and Family Services Cabinet

## Operating Budget

## Community Based Services

			Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
			Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference
<b>16</b>	<b>NEW</b>	<b>Boys Haven Moms Mentoring Moms Program</b>									
ABR7360022 Provide funds to establish a Moms Mentoring Moms Program.											
General Fund							110,000	110,000		110,000	110,000
<b>Project Total</b>							<b>110,000</b>	<b>110,000</b>		<b>110,000</b>	<b>110,000</b>
<b>17</b>	<b>NEW</b>	<b>Family Care Center of Lexington</b>									
ABR7360023 Provide funds to support a technology upgrade.											
General Fund							27,100	27,100			
<b>Project Total</b>							<b>27,100</b>	<b>27,100</b>			
<b>18</b>	<b>CONT</b>	<b>Foster Youth Transitional Assistance</b>									
ABR7360024 Provide funds to expand foster youth transitional assistance.											
General Fund							1,000,000	1,000,000		1,000,000	1,000,000
<b>Project Total</b>							<b>1,000,000</b>	<b>1,000,000</b>		<b>1,000,000</b>	<b>1,000,000</b>
<b>19</b>	<b>CONT</b>	<b>Protection and Permanency Staff Technology Improvements</b>									
ABR7360025 Provide funds to purchase computers, digital cameras and printers.											
General Fund							1,253,200	1,253,200		1,008,300	1,008,300
Federal Funds							323,200	323,200		291,700	291,700
<b>Project Total</b>							<b>1,576,400</b>	<b>1,576,400</b>		<b>1,300,000</b>	<b>1,300,000</b>
<b>20</b>	<b>CONT</b>	<b>Foster Parent and Adoption Assistance Rate Increases</b>									
ABR7360026 Provide funds to support a \$3 per day rate increase in FY 2006-07 and an additional \$2 per day rate increase in FY 2007-08 for foster parents and adoption assistance.											
General Fund							4,844,500	4,844,500		8,944,600	8,944,600
Federal Funds							3,989,300	3,989,300		7,487,600	7,487,600
<b>Project Total</b>							<b>8,833,800</b>	<b>8,833,800</b>		<b>16,432,200</b>	<b>16,432,200</b>
<b>21</b>	<b>CONT</b>	<b>Private Child Care Rate Increases</b>									
ABR7360027 Provide funds to support a \$3 per day rate increase in FY 2006-07 and an additional \$2 per day rate increase in FY 2007-08 for private child care providers.											
General Fund							2,883,700	2,883,700		5,202,200	5,202,200
Federal Funds							544,800	544,800		982,800	982,800
<b>Project Total</b>							<b>3,428,500</b>	<b>3,428,500</b>		<b>6,185,000</b>	<b>6,185,000</b>

## HOUSE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

**H - Health and Family Services Cabinet****Operating Budget****Community Based Services**

			Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
			Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference
22	NEW	Debt Service									
ABR7360028			Provide funds to support debt service for \$5,000,000 in new bonds for Home of the Innocents Phase II of the Childrens Village project contingent upon Lou. Metro Govmt. contributing an additional \$5,000,000.								
General Fund										234,000	234,000
Project Total										234,000	234,000
TOTAL ADDITIONAL			4,900,300	4,900,300		43,155,400	58,531,200	15,375,800	67,539,600	93,200,800	25,661,200

**Fiscal Biennium 2006-2008  
Budget Modification Report**

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**Community Based Services**

**BRANCH BUDGET**

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2006-2008 based upon extending the reduced fiscal year 2005-2006 funding level as revised by the Governor's fiscal year 2005-2006 Budget Stability Initiative. This initiative is projected to contribute \$142,500,000 to the General Fund during fiscal year 2005-2006.

The State/Executive Branch Budget Bill, Part I, Operating Budget includes additional funding support as follows:

1) \$4,900,300 in Federal Funds in fiscal year 2005-2006; \$7,699,900 in General Fund support, \$11,156,200 in Restricted Funds and \$13,571,800 in Federal Funds in fiscal year 2006-2007, and \$23,590,900 in General Fund support, \$8,964,500 in Restricted Funds and \$23,216,500 in Federal Funds in fiscal year 2007-2008 to continue current adult and child protective services. Included in these amounts are increases totaling \$4,900,300 in fiscal year 2005-2006, \$28,674,500 in fiscal year 2006-2007 and \$50,254,400 in fiscal year 2007-2008 to continue current services in Alternatives for Children/Out-of-Home Care and support an increased number of court-committed children in the care of the Cabinet; 2) \$804,900 in General Fund support and \$465,600 in Federal Funds in fiscal year 2006-2007 and \$1,158,500 in General Fund support and \$766,800 in Federal Funds in fiscal year 2007-2008 to replace Restricted Funds and continue the Food Stamps Electronic Benefits Transfer program; 3) Federal Funds totaling \$3,757,000 in fiscal year 2006-2007 and \$3,864,900 in fiscal year 2007-2008 to support an increased number of child care recipients; 4) Federal Funds totaling \$900,000 in each year of fiscal years 2006-2007 and 2007-2008 to expand the Weatherization program; and, 5) Federal Funds totaling \$4.8 million in each year of fiscal years 2006-2007 and 2007-2008 to expand the Low Income Home Energy Assistance Program (LIHEAP).

The State/Executive Branch Budget Bill, Part I, Operating Budget includes the following language provisions that direct:

**"Tobacco Settlement Funds:** Included in the above General Fund (Tobacco) appropriation is \$6,970,400 in fiscal year 2006-2007 and \$7,420,400 in fiscal year 2007-2008 for the Early Childhood Development Program."

**"Out-of-Home Care:** Included in the above General Fund appropriation is \$7,383,000 in fiscal year 2006-2007 and \$22,962,600 in fiscal year 2007-2008 which is necessary to support and sustain the increased number of court-committed children in the care of the Cabinet."

**Fiscal Biennium 2006-2008  
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**Community Based Services**

**"Criminal Background Investigation Fee Establishment:** The Secretary of the Cabinet for Health and Family Services may promulgate administrative regulations necessary to prescribe criminal background investigation fee amounts which are reflected in the Restricted Funds appropriation above."

**"Department for Community Based Services Modernization:** Savings generated through efficiencies achieved from the modernization and streamlining of the Department for Community Based Services shall be redirected to other areas within the Department for Community Based Services to enhance adult protection services and family based services, to accommodate increased numbers of children in care, and to offset reductions in available federal funding."

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy addresses increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part X, Phase I Tobacco Settlement includes a language provision that directs:

**"Early Childhood Development Program:** Included in the above General Fund (Tobacco) appropriation is \$6,970,400 in fiscal year 2006-2007 and \$7,420,400 in fiscal year 2007-2008 for the Early Childhood Development Program."

**HOUSE REPORT**

The House concurs with the Branch with the following changes:

The House redirects base General Fund support by \$1,253,200 in fiscal year 2006-2007 and \$15,155,100 in fiscal year 2007-2008 and provides additional Federal Funds for the following items:

1. \$1,253,200 in General Fund support and \$323,200 in Federal Funds in fiscal year 2006-2007 and \$1,008,300 in General Fund support and \$291,700 in Federal Funds in fiscal year 2007-2008 for Protection and Permanency Staff Technology Improvements;
2. \$8,944,600 in General Fund support and \$7,487,600 in Federal Funds to increase Foster Parent and Adoption Assistance reimbursement rates by \$5 per day in fiscal year 2007-2008; and,
3. \$5,202,200 in General Fund support and \$982,800 in Federal Funds to increase Private Child Care Agencies' reimbursement rates by \$5 per day in fiscal year 2007-2008.



**Fiscal Biennium 2006-2008  
Budget Modification Report**

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**Community Based Services**

The House provides additional funding support for the following items:

1. \$150,000 in General Fund support in each fiscal year for the Kentucky Baptist Youth Support Center;
2. \$250,000 in General Fund support in each fiscal year to expand the Save the Children Rural Literacy Program;
3. \$110,000 in each fiscal year for the Boys Haven Moms Mentoring Moms program;
4. \$27,100 in General Fund support in fiscal year 2006-2007 for the Family Care Center in Lexington;
5. \$1,000,000 in each fiscal year for Foster Youth Transitional Assistance;
6. \$4,844,500 in General Fund support and \$3,989,300 in Federal Funds to increase Foster Parent and Adoption Assistance reimbursement rates by \$3 per day in fiscal year 2006-2007;
7. \$2,883,700 in General Fund support and \$544,800 in Federal Funds to increase Private Child Care Agencies' reimbursement rates by \$3 per day in fiscal year 2006-2007; and,
8. \$234,000 in General Fund support in fiscal year 2007-2008 for debt service for new bonds totaling \$5,000,000 for a grant to Louisville Metro Government for Phase II of the Children's Village project at Home of the Innocents contingent upon Louisville Metro Government's provision of equalizing funds totaling \$5,000,000 prior to Home of the Innocents proceeding with this project.

The House adds the following Part I, Operating Budget, language provisions:

**"Protection and Permanency Staff Technology Improvements:** Included in the above appropriation is \$1,008,300 in General Fund support and \$291,700 in Federal Funds in each fiscal year to provide technology improvements for each Adult Protection and Child Protection Services staff, including but not limited to new laptop or desktop computers. In addition, included in the above appropriation is \$244,900 in General Fund support and \$31,500 in Federal Funds in fiscal year 2006-2007 to provide digital cameras for each Adult Protection and Child Protection Services staff and a printer for each investigative team in each local office to assist in documenting abuse investigations."

**Fiscal Biennium 2006-2008  
Budget Modification Report**

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**Community Based Services**

**"Foster Parent and Adoption Assistance Rate Increases:** Included in the above appropriation to increase Foster Parent and Adoption Assistance daily reimbursement rates is \$4,844,500 in General Fund moneys and \$3,989,300 in Federal Funds for \$3 per day in fiscal year 2006-2007 and \$8,944,600 in General Fund moneys and \$7,487,600 in Federal Funds for an additional \$2 per day in fiscal year 2007-2008."

**"Private Child Care Provider Rate Increases:** Included in the above appropriation to increase Private Child Care Provider reimbursement rates is \$2,883,700 in General Fund moneys and \$544,800 in Federal Funds for \$3 per day in fiscal year 2006-2007 and \$5,202,200 in General Fund moneys and \$982,800 in Federal Funds for an additional \$2 per day in fiscal year 2007-2008."

**"Foster Youth Transitional Assistance:** Included in the above General Fund appropriation is \$1,000,000 in each fiscal year to provide assistance grants or vouchers to current or former foster youth ages 18 through 23. The maximum total of grants or vouchers per youth shall be \$7,500 in any one fiscal year for working youth. Youth may be eligible for an additional grant totaling \$2,500 per year while attending a community college or four year college or university. Grants or vouchers from this program shall be utilized by the youth for transitional assistance into independence, including but not limited to housing, clothing, transportation, tuition, medical and dental services, and other expenses for the youth for the transition that the cabinet authorizes. The Cabinet for Health and Family Services shall promulgate administrative regulations, in accordance with KRS Chapter 13A, to implement this program no later than October 1, 2006. Notwithstanding KRS 45.229, any General Fund moneys for this purpose unexpended in fiscal year 2006-2007 shall not lapse but shall carry forward into fiscal year 2007-2008 for the same purpose."

**"Home of the Innocents:** Included in the above General Fund appropriation is \$234,000 in fiscal year 2007-2008 for debt service to support new bonds for Phase II of the Children's Village as set forth in Part II, Capital Projects Budget, of this Act. Bond issuance shall be contingent upon the Louisville Metro Government's provision of equalizing funds totaling \$5,000,000 before the Home of the Innocents may proceed with the project."

The House adds the following Part II, Capital Budget, project:

"Home of the Innocents - Phase II Children's Village

Bond Funds	5,000,000	-0-
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**Fiscal Biennium 2006-2008**  
**Budget Modification Report**

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**Community Based Services**

**Bond Issuance Contingency:** Bond issuance shall be contingent upon the Louisville Metro Government's provision of equalizing funds totaling \$5,000,000 before the Home of the Innocents may proceed with the project."

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**H - Health and Family Services Cabinet****Capital Budget****Community Based Services**

Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference

**I. CAPITAL PROJECT RECAP BY FUND SOURCE**

General Fund

Bond Funds

5,000,000 5,000,000

**TOTAL CAPITAL****5,000,000 5,000,000****II. CAPITAL PROJECTS****2       Kenton Co. - Lease**

PRJ7362507

General Fund

**Project Total****3       Warren Co. - Lease**

PRJ7362508

General Fund

**Project Total****4       Campbell Co. - Lease**

PRJ7362509

General Fund

**Project Total****5       Hardin Co. - Lease**

PRJ7362510

General Fund

**Project Total****6       Kenton Co. - Lease - Madison Ave**

PRJ7362511

General Fund

**Project Total****7       Fayette Co. - Lease**

PRJ7362512

General Fund

**Project Total**

**H - Health and Family Services Cabinet****Capital Budget****Community Based Services**

		Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
		Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference
<b>8</b>	<b>Jefferson Co. - Lease</b>									
PRJ7362513										
General Fund										
<b>Project Total</b>										
<b>9</b>	<b>Shelby Co. - Lease</b>									
PRJ7362514										
General Fund										
<b>Project Total</b>										
<b>10</b>	<b>Fayette Co. - Lease - Centre Pkwy</b>									
PRJ7362515										
General Fund										
<b>Project Total</b>										
<b>11</b>	<b>Johnson Co. - Lease</b>									
PRJ7362516										
General Fund										
<b>Project Total</b>										
<b>12</b>	<b>Boyd County - Lease</b>									
PRJ7362517										
General Fund										
<b>Project Total</b>										
<b>13</b>	<b>Boone Co. - Lease</b>									
PRJ7362518										
General Fund										
<b>Project Total</b>										
<b>14</b>	<b>Home of the Innocents - Phase II Childrens Village</b>									
PRJ7362520										
Bond Funds						5,000,000	5,000,000			
<b>Project Total</b>						<b>5,000,000</b>	<b>5,000,000</b>			
<b>TOTAL CAPITAL</b>						<b>5,000,000</b>	<b>5,000,000</b>			